

RBM Handout: 08/15/23

Weekly Water Report	As of: August 8, 2023	As of: August 15, 2023	
New Hogan (NHG) TOC	317,100	317,100	AF
Storage:	211,496	208,607	AF
Net Storage Change:	-2,981	-2,889	AF
Inflow:	27	24	CFS
Release:	202	209	CFS
New Melones (NML) Allocation	75,000	75,000	AF
Storage:	2,035,948*	1,983,790*	AF
Net Storage change:	-17,376	-52,158	AF
Inflow:	1,312*	1,047*	CFS
Release:	2,125*	2,588*	CFS
Source: CDEC Daily Reports			

Goodwin Diversion (GDW)			
Inflow (Tulloch Dam):	3,134	3,037	CFS
Release to Stanislaus River (S-98):	1,500	1,502	CFS
Release to OID (JT Main):	892	920	CFS
Release to SSJID (SO Main):	360	422	CFS
Release to SEWD:	<u>325</u>	<u>350</u>	CFS
Total Release	3,077	3,194	CFS
Source: Tri-Dam Operations Daily Report			
Farmington Dam (FRM)			
Diverted to SEWD:	145	160	CFS
Diverted to CSJWCD:	145	160	CFS

Surface Water Used			
Irrigators on New Hogan:	14	22	
Irrigators on New Melones:	6	7	
Out-Of-District Irrigators:	3	1	
DJWWTP Production:	50	50	MGD
North Stockton:	13	14	MGD
South Stockton:	9	9	MGD
Cal Water:	27	28	MGD
City of Stockton DWSP Production:	18	19	MGD

District Ground Water Extraction			
74-01	0	0	GPM
74-02	0	0	GPM
North	0	0	GPM
South	0	0	GPM
Extraction Well # 1	<u>0</u>	<u>0</u>	<u>GPM</u>
Total Well Water Extraction	0	0	GPM
Total Ground Water Production	0	0	MGD

**Note: *The data reported here is available as of 08/14/23
All other flow data reported here is preliminary, as of 10:30 a.m. on 08/15/23**



STOCKTON EAST WATER DISTRICT POLICY MANUAL

No. 6035

Purchasing

ADOPTED:

August 25, 2015

REVISED:

August 15, 2023

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A. Purpose

The Stockton East Water District Purchasing Policy (this “Policy”) establishes policies and procedures for acquiring services and materials, equipment and supplies (referred to collectively as “materials”), and for public works projects for the Stockton East Water District (the “District”) pursuant to Government Code Section 54201 et seq.

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

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

This Policy establishes the Board of Directors’ (the “Board”) approved policies with respect to the procurement of services and materials and for public works projects, including expenditure authorization and limits, competitive proposal and bidding requirements, and general procurement procedures. All purchases of services or materials and public works projects to be paid for by the District must adhere to the authority level and dollar limits of this Policy as set forth in Section I, except provided by specific terms and exceptions set forth in this Policy.

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B. General Procurement Procedures

1. Delegation of Purchasing Authority

- a.) By adoption of this Policy, the Board is authorizing the General Manager or his/her designated representatives to exercise certain duties and responsibilities that are essential for the day-to-day operation of the District.
- b.) The General Manager may delegate the procurement of services and materials and the provision of public works projects to those staff members given specific authority, consistent with the terms of this Policy.
- c.) Delegation of purchasing authority may be through the authorized use of purchasing cards, purchase orders, check requests, or other written authorization. All such purchases will be made in conformity with the policies and procedures prescribed within this Policy.
- d.) The Board-established procurement limits and contract signatory authority are listed in Section I of this policy. These limits are applicable on a per-expenditure/per-contract basis, not on an aggregated basis, for unrelated activities.
- e.) In the event of an extended absence of the General Manager, the Assistant General Manager can assume the same authority as the General Manager, succeeding the General Manager in descending order.

2. Unauthorized Purchasing is Prohibited and Subject to Penalties

Anyone making purchases outside this Policy and without General Manager or Board authorization, will be subject to disciplinary action and/or termination as outlined in the District Employee Handbook.

3. Purchase Amounts Include Taxes and Shipping

Purchase amounts include taxes and the cost of shipping, freight fees, and any other charges billed by the supplier or contractor within the authorized limits in this Policy.

4. Online Purchases and Utilization of Electronic Signatures

The District may use electronic commerce whenever reasonable or cost-effective. The District may accept electronic signatures and records for District procurement.

5. Requisitions for Purchasing Materials and Services

District staff who require materials or services to carry out the defined duties of their positions

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shall submit Requisitions, in advance, for purchases in accordance with this Policy. The Finance Department will generate a Purchase Order (PO) from the Requisition.

6. Check Requests

A check request can be used for certain limited materials or services without a PO. Check requests may be used to request payment for Non-Discretionary Purchases, such as services rendered, subscriptions, membership dues, workshop/seminar/conference registrations, expense reimbursements, and use of facilities. Check requests are subject to the authorization limits established in Section I.

7. Purchasing Cards

Authorized District staff may be assigned District issued credit cards (Cal Card) to make miscellaneous purchases within the limits of Section I. Credit card purchases are subject to the terms and conditions of the District Cardholder Acceptance Agreement. Services may not be purchased with credit cards due to lack of insurance and indemnification language associated with these purchases. District staff using credit cards are subject to the terms of this Policy and all related credit card usage terms or amendments. A credit card should not be used if a Purchase Order or other procurement method would be appropriate.

8. References and Financial Responsibility Before Awarding Contracts

Before awarding any Contract, the District will verify the references and financial responsibility of the contracting parties. After award, all Contracts shall be executed on behalf of the District by the appropriate authorized signatory indicated in Section I. No Contract will be awarded if funds are not available to make payment upon delivery or completion, or by payment schedule, unless authorized and approved by the Board.

9. Contracts are Required for Any Services and Public Works Projects over \$1,000

Contracts for Non-Professional Services, Professional Services and Public Works shall be executed when the cost exceeds \$1,000 (except for an Emergency as defined in this policy).

10. Authorization of Multi-Year Contracts in the District's Best Interest

Multiple-Year Contracts are allowed when they are in the best interest of the District as determined by the General Manager. The dollar value of a Multiple Year Contract shall be the total contract value, including optional renewal periods. Once initially approved, any contract

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renewal may be authorized by the General Manager, regardless of dollar amount, if the pre-priced option is consistent with the terms of the initial Contract.

11. Non-Discretionary Purchases

Non-Discretionary Purchases do not require Board approval for payment, including those over the General Manager limit. Initial software license agreements and cloud-based services are subject to the purchase limits in Section I. Purchase Orders are not required for Non-Discretionary Purchases.

12. Non-Professional Services Procurement

The District requires a competitive bid or selection process for purchasing non-professional services and materials, and for Public Works projects. For non-professional services and materials estimated to cost \$5,000 or less, District staff may request a quote or proposal from one qualified Consultant or Vendor. District staff will request a minimum of three quotes or proposals for non-professional services when the contract amount is expected to cost between \$5,001 and \$75,000. For a non-professional service contract expected to cost more than \$75,000, the District will initiate an RFP or RFQ. All quotes, bids and proposals must be in writing. Email is acceptable as well. RFP, RFQ, and Invitation to Bid submissions must comply with all terms of the solicitation or any related laws. Submissions that fail to comply may be disqualified.

13. Exceptions to Competitive Solicitations

- a.) Sole Source Purchases.
- b.) Single Source Purchases.
- c.) Emergency expenditures.
- d.) Supplies, materials, or equipment procured through a Cooperative Purchasing program with federal, state, county, or other public agencies.
- e.) Purchases made after a reasonable attempt to obtain competitive bids and no additional suppliers/providers/contractors/Consultants can be located.
- f.) The District receives no response from suppliers/providers/contractors/Consultants to a competitive bid.
- g.) No other satisfactory bids/proposals are received.
- h.) Except for purchases greater than \$75,000 and requiring Board authorization, the General Manager or Assistant General Manager may decide whether a purchase meets the criteria

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above to be exempt from competitive solicitation.

14. Public Works Contracts

Contracts for Public Works projects shall comply with all requirements for Public Works contracts under State law, including rules for:

- a.) Listing subcontractors.
- b.) Posting payment bonds equal to but, no less than 100 percent of the total contract amount (for all Public Works contracts over \$25,000).
- c.) Paying prevailing wages, for all contracts for Public Works exceeding \$1,000, or as otherwise required by law.

Unless the General Manager and legal counsel approve a waiver, the District requires performance bonds for all Public Works Contracts equal to, but no less than 100 percent of the total contract amounts. Public Works Contracts let by an Invitation to Bid will be awarded to the lowest responsive, responsible bidder as allowed by State law and the District's standard Public Works contract documents.

15. Professional Services Procurement

Professional Services Contracts must meet the terms of California Government Code §4525 et seq., and §53060, based on proof of competence and qualifications for the types of services to be performed at fair and reasonable prices, as determined by the District.

- a.) For Professional Services estimated to cost \$25,000 or less, District staff may request a proposal from one qualified Consultant.
- b.) District staff will request three proposals for Professional Services when the contract amount is expected to cost between \$25,001 and \$75,000.
- c.) For a Professional Services Contract expected to cost more than \$75,000, the District will initiate an RFP.

The following criteria shall apply as exceptions to the competitive solicitation requirements as indicated for Professional Services where such requirements would otherwise apply:

- a.) In the case of sole or single source procurements of Professional Services, only one proposal from a qualified firm is required.

16. Nonresponsive or Unqualified Bid or Response

In response to any Invitation to Bid, RFQ, or RFP, the District may reject any unqualified bid or other response that is incomplete, irregular, amplified, unqualified, conditional, or otherwise not

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in compliance with the solicitation documents in all material respects and in accordance with law. The District may waive any informality, irregularity, immaterial defects, or technicalities in any bids or other responses received; and/or cancel an invitation for bids or RFP/RFQ, or reject all bids or responses for any other reason, which indicates the cancellation or rejection of all bids or responses is in the District's best interest and in accordance with law. Rejection of all bids, responses, or cancellation of competitive solicitations, including determinations to re-bid or re-solicit is subject to the same authority level required to award a Contract in Section I, and as required by law. In the case of RFPs and RFQs, the General Manager and the Board reserve the right to award Contracts based upon the best interests of the District, as determined by the District.

17. Change Orders for Goods and Services, Excluding Construction Projects

The District may issue Change Orders as required by changes in the specifications or conditions of a project, services performed, or materials issued. Change Orders or amendments that extend the expiration date of the original or Board approved contract by no more than 12 months, but do not affect the total contract price, can be approved subject to the contract signing authority indicated in Section I. The General Manager or his/her designee may issue Change Orders up to 10 percent over the original PO without further approvals if the original purchase amount was \$10,000 or less. For any Change Order request over the original PO by more than 10 percent or the \$1,000 limit, by the requesting department will complete a revised Purchase Order Requisition (approved at the levels in Section I).

a.) For Contracts and Amendments up to \$75,000:

- i.) Change Orders can be approved by the total appropriate authorization levels as outlined in Section I up to a total Contract amount of \$75,000 without Board approval.
- ii.) Board approval is required for a Change Order if the proposed Change Order would cause the total Contract amount to exceed \$75,000.

b.) For Contracts and Amendments over \$75,000

- i.) Board approval is required for Change Order requests which increase the contract amount, unless sufficient contract contingency was previously approved by the Board. A Change Order above the Change Order limits set forth in this policy may be authorized by the General Manager or Assistant

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General Manager prior to Board approval if:

- 1.) A delay in Change Order authorization could result in a negative financial impact to the District.
- 2.) A delay in Change Order authorization could result in damage to or impairment of the operations of a District facility.
- 3.) An Emergency exists which requires immediate work/services. The Board shall be notified by the General Manager of any Change Order above the General Manager's authorized limit at the next Board meeting.

18. Personal Financial Interest in District Contract

Board members and District staff, spouses, or dependent children shall not be financially interested in any contract made by them in their official capacity. (Government Code Section 1090).

Board Members and District staff, spouses, or dependent children shall not participate in any way to influence a governmental decision in which they have a financial interest. (Government Code Section 87100). All District employees, other than Administrative Personnel not under Designated Positions in the District's Conflict of Interest Code, authorized under this Policy to make purchases or enter into agreements on behalf of the District will complete a Statement of Economic Interests (Form 700) and comply with the District's Conflict of Interest Code. Confidential or proprietary information must be handled with due care and proper consideration of ethical and legal ramifications and governmental regulations. Purchasing activities must be performed in accordance with all applicable laws and this policy. Employees/individuals who violate the standards set forth in this Section are subject to disciplinary action consistent with District Personnel and Salary Policy.

This District makes purchases as a California Water District, as such, the District is not required by State law to competitively bid any purchases, unless otherwise stated in this policy.

The District may:

1. Enter into non-bid contracts for Public Works.
2. Purchase materials, services, and supplies.
3. Contract for design-build work.
4. Job-order contracting.

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5. Enter into Cooperative Purchasing contracts to plan, build, and maintain Public Works.
6. Undertake any other form of contract found to be in the District's lawful best interest.

19. Maintenance of this Policy

The General Manager and assigned representatives, working with the District's legal counsel, will maintain and propose revisions to this policy as needed. All changes to this policy shall require the approval of the Board of Directors. In all cases, the District shall implement this policy in a manner that is consistent with Federal, State, or local regulations.

~~No law obligates the District to use a competitive bidding procedure. Bids or proposals may be solicited directly from vendors or consulting firms.~~

~~For the purpose of securing competitive bids or proposals, the District shall publish on its website for a minimum of two weeks in advance of receiving bids or proposals, a Request for Bid (RFB) or Request for Proposal (RFP). The RFB or RFP shall include information stating (1) the work to be done or equipment, materials or supplies to be furnished; (2) the place where and the time by when sealed, written bids or proposals must be submitted; and (3) where and when bids will be publically opened. A bid or proposal will not be accepted after the published deadline for submission.~~

C. Bid Requirements and Process

1. General.

All procurements for services and construction shall employ competitive bidding whenever practicable. All amounts in this section shall be considered to be before (excluding) sales tax. All procurements of \$75,000.00 and over will adhere to the sealed bidding process. The General Manager or AGM may grant exceptions to the competitive process for emergency conditions, supply limitation, or other circumstances with justification for such waiver being documented with the acquisition.

Bids shall be awarded to the responsive, responsible, and qualified bidder who submits the lowest bid. In determining the lowest "qualified" bidder, the following elements shall be considered:

- a.) The products offered provide the quality, fitness, and capacity for the required usage.
- b.) The bidder has the ability, capacity, and skill to perform the contract satisfactorily and within the time required.

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c.) The bidder's experience(s) regarding past purchases by the District or other public agencies demonstrates the reliability of the bidder to perform the contract.

Under no circumstances, regardless of the type of bidding, may competitive bids be revealed to other vendors until the bid period is closed and no more bids may be accepted or changed.

When a bid is recommended to be awarded to anyone other than the low bidder, written justification is required. The written statement, signed by the appropriate Supervisor, Manager, Director, AGM, or GM shall be attached to the purchase requisition or Board report.

When bids are required, every effort should be made to request bids from as many vendors as possible in order to promote competition in the best interest of the District. When the requestor is unable to meet the minimum of three documented bids, the requestor must document the requests that were sent and why the vendor(s) declined to submit a bid. This documentation should be more comprehensive depending on the amount of the request.

2. Bid Requirements Table (amounts excluding sales tax)

<u>Bid Type</u>	<u>Supplies/Standard Inventory</u>	<u>Contracted Services</u>	<u>Other Capital Purchases</u>
<u>Informal Quotes</u>	<u>Up to \$5,000</u>	<u>Up to \$10,000</u>	<u>N/A</u>
<u>Written Quotes</u>	<u>Over \$5,000</u>	<u>\$10,001-\$50,000</u>	<u>Up to \$50,000</u>
<u>Written Bid (RFP)</u>	<u>N/A</u>	<u>Over \$50,000</u>	<u>\$50,001-\$75,000</u>
<u>Formal Bid</u>	<u>N/A</u>		<u>Over \$75,000</u>

3. Quote, proposal and bid solicitation methods.

a.) Informal quotes. For qualifying purchases (see subsection 2., Bid Requirements Table), quotes may be obtained through an informal process (e.g. web browsing or phone calls) and documentation of the bids is recommended but not required. Although bid documents are not required, a requisition and purchase order may be issued to document the purchase if the staff member making the purchase wishes to do so. In the event a purchase order is not issued, the accounts payable process will require that the invoice be signed by an authorized signor before payment is released.

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b.) *Written quotes.* For purchases qualifying for written quotes (see subsection 2., Bid Requirements Table), a minimum of three written quotes are required. The quotes must be documented and retained on file by the manager of the requesting department. The request for quotes must be made in a consistent manner for all vendors meaning that all vendors must receive the same information regarding specifications and requirements of the product or service. The request must also be transmitted to the vendors in a consistent manner (e.g. mail, email).

c.) *Written bids (RFP or IFB).* For purchases falling into this category (see subsection 2., Bid Requirements Table), bids/proposals shall be solicited from a minimum of three vendors. A Request for Proposal (RFP) or Invitation for Bids (IFB) must be used to document the specifications and requirements of the product or service. The bids must be received from the vendors in written form and retained on file by the manager of the requesting department.

All bids are confidential until the deadline for bid submission or bid changes has elapsed. Under an RFP, proposers must meet specific requirements set forth by the District. Among others, they must show independence, experience, firm capacity, and certain level of insurance coverage.

d.) *Formal bids. (sealed bids).* California Public Contract Code (PCC) sets forth strict standards for public works contracts. Public works is defined as the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

In compliance with PCC, for construction capital improvement projects related purchases greater than \$75,000.00, a Formal Bid (RFP/Sealed Bid) process is required and contracts shall be awarded in a manner most beneficial to the District. The District shall strive to obtain the best value in awarding contracts, service agreements, and purchase agreements. The following are the steps of the Formal Bid process:

1.) *Call for bids.* The GM, or his/her designee, is authorized to create a prequalified

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bidders list. The bidders may be prequalified on an annual basis or on a project specific basis. Notice inviting sealed bids shall be distributed to prequalified bidders or other interested parties as may be deemed beneficial by the GM, or his/her designee. If there are no prequalified bidders or if the prequalified bidders list is inadequate, a notice inviting bids may be published once in a newspaper that serves the District.

2.) *Form of call for bids.* The invitation for bids shall contain:

- a.) A statement as to where the plans and specifications may be obtained.
- b.) A general description of the scope.
- c.) A statement that the District will receive sealed bids.
- d.) A statement that the contract(s) for the CIP will be awarded to the lowest responsive, responsible bidder or bidders, but that any or all bids may be rejected.
- e.) A statement of the time and place for opening the bids.
- f.) Any such other information as may be required by the District or by law.

3.) *Submission of bids.* Bids shall be submitted on forms supplied by the District and under sealed cover. Each bid shall be accompanied by cash, a certified or cashier's check, or bond secured from a surety company satisfactory to the District in the amount indicated within the bid documents, made payable to Stockton East Water District, as bid security.

Bidders must certify that they are following the California Prevailing Wage Law requirements. If the bid is accepted, the bidder shall execute the contract within the time provided in the contract documents and shall furnish the necessary certificates of insurance and bonds required by the contract documents.

4.) *Opening of bids.* Bids shall be publicly opened at the time and place specified in the invitation for bids. A minimum of two members of District staff must be present at all sealed bid openings.

5.) *Bid evaluation and acceptance.* Acceptance of any bid shall be by action of the Board. The Board reserves the right to waive any irregularity to reject any or all

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bids, to re-advertise, or to proceed with the CIP or any part of it using District staff.

6.) Bid award. Contracts shall be awarded to the lowest responsive and responsible bidder which will be deemed the best value to the District.

7.) Relief of bidders. A bidder shall not be relieved of its bid unless by consent of the District upon a showing by the bidder to the satisfaction of the District that:

a.) A mistake was made.

b.) The bidder gave the District written notice within five business days after the opening of bids of the mistake, specifying in the notice in detail how the mistake occurred.

c.) The mistake made the bid materially different than the bidder intended it to be and the mistake was made in filling out the bid and not due to error in judgment or carelessness in inspecting the site of the work or in reading the plans or specifications.

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

D. Procurement

No law obligates the District to use a competitive bidding procedure. Bids or proposals may be solicited directly from vendors or consulting firms.

For the purpose of securing competitive bids or proposals, the District shall publish on its website for a minimum of two weeks in advance of receiving bids or proposals, a Request for Bid (RFB) or Request for Proposal (RFP). The RFB or RFP shall include information stating the work to be done and equipment, materials or supplies to be furnished, the place where and the time by when sealed, written bids or proposals must be submitted, and where and when bids will be publicly opened. A bid or proposal will not be accepted after the published deadline for submission.

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1C. Sole Source Purchases

Procurement where: (1) there is a compelling reason for only one source, a preferred brand, like material, etc., to be procured; or (2) the commodity is unique, including, but not limited to, acquisition of data processing, telecommunications, and word processing equipment, goods, and services; or (3) the purchase of a specific brand name, make, or model is necessary to match existing District equipment or facilitate effective maintenance and support; or (4) when it is in the best interest of the District to extend or renew a Contract from a previous contract period, based on satisfactory service, reasonable prices, avoidance of start-up costs and interruptions to District business, or good business practices.

~~Sole source purchasing is authorized with advance approval from an authorized manager provided that the purchase of such sole source item(s) will provide a longer service life, reduce the need for extensive parts inventory, reduce maintenance or servicing costs, provide a higher level of service, reduce down time for equipment or are the only vendor offering the needed equipment, product, or materials.~~

2D. Routine Purchases

A Purchase Order is required for all purchased items. Blanket Purchase Orders may be used for all routine items (i.e. chemicals, household items, office supplies, general maintenance & construction items, minor maintenance/repairs, auto & repair parts, etc.) that fall within the current fiscal year line item budget. Authorized Managers are responsible for ensuring that all routine purchases remain within budget or receive the approval of the General Manager.

Purchase Orders must be used for small items such as office equipment, auto parts, repair parts, and other miscellaneous items costing less than \$2,5005,000. Authorized Managers are authorized to purchase directly from vendors that provide the best prices, discounts, delivery options and convenience, etc., but should attempt to purchase from local suppliers.

Purchase Requisitions must be used for individual items costing more than \$2,5005,000, District staff shall solicit at least three (3) competitive quotations from vendors by telephone, electronic communication, or mail, or shall make a competitive comparison of internet pricing, prior to processing a Purchase Requisition. The AGM is authorized to approve Purchase Requisitions up to \$4050,000. Purchase Requisitions of more than \$4050,000 must be approved by the GM. All Purchase Requisitions must be approved prior to purchasing the item.

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The District shall purchase items or services from the supplier providing the lowest prices and having an acceptable delivery date. Notwithstanding the foregoing, the District may, with the approval of the General Manager, purchase from a supplier other than the supplier providing the lowest price if taking the lowest price compromises quality of product or service and support.

The District shall document such price comparisons in writing and retain said written documentation for a minimum period of three (3) years after the date of purchase.

Authorized Managers are responsible for reviewing invoices in a timely manner and validating purchases by signature. Receipts are required for all purchases, including employee reimbursements. Packing slips are required for all shipped purchases.

3E. Capital Purchases

All capital purchases must be included in the adopted current fiscal year's budget. The District's purchasing goal is to secure all materials, supplies, equipment and other items necessary for operation of the District at the most reasonable cost. Purchases of single items including vehicles and equipment, items purchased in aggregate for a single project or contracted project work may be made on the open market without calling for bids. The following procedure must be followed:

- a.) Authorized managers must obtain at least three (3) quotes from qualified vendors or suppliers. If the quote is obtained through the California Department of General Services (DGS) three quotes are not required. These prices and services have been pre-qualified as the lowest responsible bidder by the state.
- b.) The three (3) quotes or DGS quote will be submitted to the General Manager for approval or disapproval.
- c.) Purchases over ~~\$2575,001000~~ require Board approval.

The President of the Board or authorized designee shall execute contracts for expenditures including construction work and construction materials involving an expenditure of ~~one hundred thousand dollars (\$10075,001000)~~ or more for the purchase of equipment, materials or supplies to be furnished, sold or leased to the District.

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The President of the Board or authorized designee shall execute contracts for construction work and materials to the responsible bidder who gives the security the Board requires and submits the lowest responsive bid or else reject all bids. Notwithstanding the foregoing, the Board of Directors may award the contract to other than the low bidder upon recommendation of the General Manager if such action is deemed to be in the best interest of the District by a majority vote of the Board of Directors. Vehicles will be purchased through the Department of General Services, unless they can be acquired less expensively otherwise. This section shall not apply to professional services or insurance services.

FE. Professional Services

Prior to execution, all Professional Services Contracts or Agreements will be reviewed by ~~ACWA/JPIA's Risk Management Division~~District's legal counsel to minimize District liability, unless the Contract or Agreement is based on ~~ACWA/JPIA's~~standard recommended language.

All professional services must be included in the adopted current fiscal year's budget or have received approval from the Board to obtain proposals from consultants. No law obligates the District to utilize a competitive bidding procedure. The following are used as general guidance. The Board may waive these guidelines as required.

Consultant Services \$~~2575~~,000 or less

1. Prepare Scope of Work.
2. General Manager selects the consultant(s) based on qualifications ~~and informs the Board of selection.~~

Consultant Services over \$~~2575~~,000

1. Prepare Scope of Work.
2. General Manager must approve the Scope of Work. Except in preparation for litigation or other situations requiring confidentiality or selection of a particular consultant, the consultant may be selected through the process described below.
3. Publish or send a RFP to qualified consultants with the approved Scope of Work and a date for the submittal of Proposals.
4. Tabulate proposal costs and evaluate the qualifications of each consultant based on their ability to perform the work required.
5. Submit the results to the General Manager for approval.
6. Submit for Board approval and authorization to accept the proposal.
7. After Board approval, the President of the Board or authorized designee signs

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the proposal agreement and the General Manager sends out a notice to proceed to the successful consultant.

GF. Contract Services

Prior to execution, all Contract Services or Agreements will be reviewed by ~~ACWA/JPIA's Risk Management Division~~ District's legal counsel to minimize District liability, unless the Contract or Agreement is based on ~~ACWA/JPIA's~~ standard recommended language.

~~Contracts for equipment rentals, services or construction require Board approval and authorization~~ All contract services must be included in the adopted current fiscal year's budget or have received approval from the Board to obtain proposals. No law obligates the District to utilize a competitive bidding procedure. Other than professional service contracts, the following procedures shall be followed for contracts:

Under \$~~2575,000~~:

1. Prepare Scope of Work and submit to General Manager for approval.
2. Obtain bids and submit to General Manager for approval.
- ~~3. Report contract approval to the Board.~~
- 4-3. Notify Contractor to proceed with the work.

Over \$~~2575,000~~:

1. Prepare plans, specifications, estimates and/ or Scope of Work and submit to the General Manager for approval.
2. Publish or send RFB to qualified bidders with a bid opening date.
3. Receive bids and prepare summary of bids along with recommendations to General Manager for approval.
4. Submit for Board approval and authorization to sign contract along with bid bonds as required.
5. After Board approval, the President of the Board signs the contract and the Project Manager sends out a Notice to Proceed, if required.

In compliance with Senate Bill 854, all construction and maintenance projects over \$1,000 will use only registered contractors and subcontractors. Each project will be filed (using form PWC-100) through the Department of Industrial Relations (DIR) and the contractor's DIR registration will be confirmed. All District bid invitations and bid documents will include the recommended language from the new registration process.

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HG. Emergencies

In case of an emergency, the General Manager or the Assistant General Manager in the absence of the General Manager, may authorize expenditures greater than \$~~2575~~,000 in excess of the total current fiscal year budget, but within available reserve funding and shall seek Board approval of the appropriate budget amendment at the following regular meeting. "Emergency" shall include, but not be limited to, breakdown of equipment, such as pumps and treatment equipment, that is critical to delivery of services. Emergency shall also include cleanup costs.

~~In the case of an emergency, the District, pursuant to a majority vote of the Board of Directors, may take immediate action required by the emergency without following the requirements of Paragraph E. Before the Board of Directors takes such action, it must make a finding, based on substantial evidence set forth in the meeting minutes that the emergency will not permit a delay resulting from the competitive bidding process and that the action is necessary to respond to the emergency.~~

H. Definitions

Administrative Personnel – District administrative employees authorized by the General Manager to purchase miscellaneous items, food and travel in support of District functions; includes Administrative Clerk, Administrative Assistant, Administrative Services Manager and any other administrative position as authorized by the General Manager.

AGM – Assistant General Manager of the Stockton East Water District.

Amendment – A written change or addition to a legal document which, when properly executed, has the same legal validity of the original document.

Bids - A formal process for soliciting sealed bids from qualified prospective suppliers or Public Works contractors. Typically involves a formal bid opening, and the awarding of a Contract to a responsive and responsible supplier or contractor based on price and other specified factors, and as otherwise required by law.

Blanket Purchase Orders - Used for payment to the same supplier/contractor/Consultant multiple times, or for ongoing monthly purchases/expenses.

Board – The Board of Directors of Stockton East Water District.

Change Order – A written Amendment modifying the terms of an existing Contract or Purchase
Purchasing – Rev.05/02/17

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Order.

Consultant – An individual, firm, or entity that provides or offers to provide Professional Services to the District.

Contingency - A predetermined amount or percentage of a Contract held for changes in a project.

Contract – Written agreement authorizing a contractor, Consultant, supplier, or service provider to provide materials or services or Public Works, in accordance with the material requirements, conditions or scope of work stated in the Contract.

Cooperative Purchasing – Participation with other agencies in cooperative purchasing arrangements and programs to leverage the benefits of volume purchases, delivery, and supply chain advantages, best practices, and the reduction of administrative time and expenses.

District – Stockton East Water District.

Emergency – A situation in which unforeseen circumstances present an immediate risk of harm or hazard to the public health, safety, and welfare, or to the District property, or threaten serious interruption of District operation.

Finance Department – The District employees assigned the duties of identifying vendors, obtaining competitive bids, issuing and processing Purchase Order Requisitions, maintaining office inventory, and assisting the General Manager in the application of Policy procedures within the District.

General Manager – General Manager of the District or the person appointed by the Board to act in the capacity of the General Manager and authorized to administer this Policy on his/her behalf.

GM – General Manager of the Stockton East Water District.

Multiple Year Contract - A Contract for the purchase of services or materials, or for Public Works for a multiple year term or that may contain provisions to extend performance by exercising optional renewal periods. A Multiple Year Contract does not obligate the District beyond the initial award period and shall not provide for a cancellation payment to the contractor if options are not exercised.

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Non-Discretionary Purchases – Payments to utilities and national, state, or local agencies that relate to routine obligations and expenses essential to the District's ability to provide service to customers and that have been approved in fiscal year operating or capital budgets, and for the purposes of this policy, shall also include expenses previously approved by the Board, which would require significant advanced planning to change service providers, such as software license agreement renewal/ cloud-based services renewal, insurance providers, and healthcare providers.

Non-Professional Services – Services other than Professional Services, including supply and maintenance services.

Procurement - The purchase or lease of materials, supplies, equipment or services, or Public Works.

Professional Services – Any type of special service or advice in financial, economic, accounting, engineering, legal or administrative matters by persons specially trained and experienced and competent to perform the special services required. (California Government Code § 53060.) Such services include but are not limited to architectural; engineering; environmental; financial; land surveying; construction management; audits; training services; legal services; preparation of planning or studies; technology application development; and personnel, job classification and benefit studies.

Public Works – As defined by California Public Contract Code Section 22002, public projects include construction, reconstruction, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility. Maintenance work is not considered a public project for purposes of this definition.

Purchasing Card - A form of charge card that allows materials and services to be purchased without using a Purchase Order. The District participates in the credit card program, currently Cal Card, and Home Depot credit card programs.

Purchase Order (PO) – An authorization, under a standardized form in which the party designated as the “provider” is to provide materials and/or services for which the District agrees to pay.

Request for Proposal (RFP) - A solicitation used for the procurement of Professional Services and Non-Professional Services. Prospective suppliers or Consultants submit requested information and are evaluated/awarded based on pre-established criteria.

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Request for Quotes (RFQ) - A solicitation used for procurement of supplies, materials, or equipment. Quotes are evaluated/awarded based primarily on cost/price.

Requisition (REQ) - The procedural method by which departments may request a PO for the purchase of materials, supplies, or equipment. Requisitions are entered into the District's Enterprise Resource Planning system application.

Single Source Purchase - Procurement where: (1) there is a compelling reason for only one source, a preferred brand, like material, etc., to be procured; or (2) the commodity is unique, including, but not limited to, acquisition of data processing, telecommunications, and word processing equipment, goods and services; or (3) the purchase of a specific brand name, make or model is necessary to match existing District equipment or facilitate effective maintenance and support; or (4) when it is in the best interest of the District to extend or renew a Contract from a previous contract period, based on satisfactory service, reasonable prices, avoidance of start-up costs, avoidance of interruptions to District business, or good business practices.

Sole Source Purchase - Procurement where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment, copyrights, etc.

Work Order – Request and approval for services or performances of specific tasks to be completed and placed against a pre-established contract. Vendors may also use the terms “task order” and “statement of work”. For District purposes, these items will be treated as “work orders”. (These typically apply to on call or as needed contracts or Blanket Purchase Orders).

I.A. Authorization Procurement Limits and Contract Signature Authority

~~District management is authorized by the Board to make expenditures within the current fiscal year budget. Managers are responsible to monitor and control all purchases within their respective budgets. Authorized managers are:~~

- ~~1. Assistant General Manager~~
- ~~2. District Engineer~~
- ~~3. Finance Director~~
- ~~4. Administrative Services Manager~~
- ~~5. Water Treatment Plant Manager~~

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6. ~~Maintenance Supervisor~~

In the event of an extended absence of the General Manager, the Assistant General Manager can assume the same authority as the General Manager, succeeding the General Manager in descending order above.

<u>Procurement Limits and Contract Signature Authority</u>		
<u>Title</u>	<u>Expenditures</u>	<u>Contract Signature</u>
<u>Board</u>	<u>\$75,001+</u>	<u>\$75,001+</u>
<u>General Manager</u>	<u>Up to \$75,000</u>	<u>Up to \$75,000</u>
<u>Assistant General Manager</u>	<u>Up to \$50,000</u>	<u>None</u>
<u>Managers</u>	<u>Up to \$10,000</u>	<u>None</u>
<u>Supervisors</u>	<u>Up to \$5,000</u>	<u>None</u>
<u>Procurement Specialist</u>	<u>Up to \$1,000</u>	<u>None</u>