



<i>Blanket Purchase Agreement for Task Orders</i>	A consulting or professional services contract agreement, generally intended between the District and a consultant for support services on an on-call basis and on more than one project, where a time of performance limit and an annual transaction maximum compensation limit is set by the terms of the agreement.
<i>Base Amount</i>	The dollar amount of an initial Contract or Task Order.
<i>Best Value</i>	Awards/purchases based on service and technical elements of a bid or proposal along with the cost/price element.
<i>Capacity Funds(CPTY)</i>	Funds that are set aside for activities related to increases in the capacity of the collection and/or treatment system (both capital and non-capital are included in this fund).
<i>Change Order</i>	A written order directing the vendor to make changes to the original purchase order and/or contract.
<i>Construction Management Consultant</i>	Consulting firm hired under a separate contract to oversee contractor work on a construction project.
<i>Contract</i>	Any legal contract, purchase order, or written document which produces a contractual agreement between the District and another party for the procurement or disposal of supplies, services or construction.
<i>Cooperative Contracts</i>	Contracts already solicited and/or awarded by other public agencies, often under the sponsorship of non-profit cooperative contract associations, allowing the District to purchase goods, services and equipment at competitively bid or assessed pricing, without the need for the District to undertake a separate solicitation request action.
<i>Declared Emergency</i>	For the purpose of procuring professional and non-professional services or goods and related services, a declared emergency is a sudden, generally unexpected sustained occurrences or set of ongoing circumstances that requires the General Manager to invoke or seek to invoke purchasing authority by resolution of 4/5ths quorum of the Board of Directors.

<i>District Projects</i>	Any construction, reconstruction, alteration, enlargement, renewal, or replacement of District owned sewer facilities or property including but not limited to furnishing of supplies or materials for any such work and where the expenditure <b>exceeds</b> the limits specified in Public Contract Code Section 20803.
<i>Emergency Operational Purchases</i>	For the purpose of procuring professional and non-professional services or goods and related services, an emergency is a sudden, generally unexpected occurrence or set of circumstances that demands immediate action, the absence of which would undermine essential District services or cause an economic loss to the District.
<i>Operating Budget and Pre-Treatment Funds (OPTF)</i>	Funds used for normal operating expenses. A given Work Group's total budget should not be exceeded. A current list of valid accounts is included in the current "Operating and CIP Budgets." The Pretreatment Fund is the special account in which receipts are deposited from administrative penalties referenced in the Administrative Procedures and Penalties section of Ordinance No. 36.
<i>Goods</i>	Any and all supplies, material and/or equipment which are moveable at the time of sale, and can be furnished to or be used by the District. This also includes goods purchased separately for District Projects and goods purchased with installation services where the major portion of the cost is for the goods.
<i>Maintenance and Repair Projects</i>	Acts of preservation, support, mending, restoration and renovation to prevent decline in condition or to restore useful life of District-owned wastewater collection or treatment facilities or property.
<i>Special Projects Funds (SPF)</i>	Funds approved by the Board for a specific project or purpose. Each project has an appropriate account number and a Project Manager/Program Manager listed under "Accounting/CIP Project List" on the District's "Portal".
<i>Pre-Purchased Equipment</i>	Equipment purchased by the District for a District or Special Project, generally before the start of work on a construction project, and under a separate contract with the supplier or manufacturer.
<i>Professional Services</i>	Services that require a formal certification by a professional body such as legal, medical, accounting, architecture, land surveying, professional engineering, real estate appraising, etc., including IT work where the scope is mainly services. Or any other service the Executive Team deems appropriate to be categorized as such.

<i>Non-Professional Services</i>	All services not within the scope of the definitions of Professional Services above. They are nontechnical or non-consultant services that provide support to and facilitate District operations. Typically, “trade” services that furnish labor to repair or provide maintenance for District-owned equipment or property. These types of services include maintenance agreements, uniform rental services, electrical, HVAC, plumbing, and mechanical. Final product of engagement is that something is built, repaired, diagnosed, or otherwise improved.
<i>Special Projects Construction</i>	Any construction, reconstruction, alteration, enlargement, renewal, or replacement of District-owned sewer facilities or property including but not limited to furnishing of supplies or materials for any such work where the expenditure is <b>less</b> than the \$15,000 limit specified in Public Contract Code Section 20803.
<i>Structural Renewal and Replacement Fund (RNWL)</i>	Funds that are set aside and accumulated for the specific purpose of the renewal and replacement of infrastructure. Funds must replace or extend life of the asset and are included in the Capital Improvement Program budget.
<i>Renewal and Replacement Funds (RRF) for Equipment (VHEQ), (ISRR), (PPSR)</i>	Funds that are set aside and accumulated for the specific purpose of replacing vehicles and equipment, including renewals and replacements for Information Systems and Plant and Pump Station equipment.
<i>Plant and Pump Station Standardized Equipment List</i>	Equipment, standardized by the District <del>by way of resolution</del> that is deemed feasible to be purchased from only one source.
<i>Task Order</i>	A directive to a consultant under a consultant or sub-consultant contract, Professional Services Agreement or a Blanket Purchase Agreement for Task Orders, detailing the work scope, payment, and schedule of a definitive task or tasks.

## ARTICLE 1 – CONTRACT AND PAYMENT AUTHORITY THRESHOLDS

Each fiscal year, the Board of Directors approves the District budget that allows expenditure of funds for a wide array of goods, services and administrative costs. As part of the budget approval process the Board reviews and approves the *Annual Contract Purchases of Supplies, Services & Vehicle Renewal Replacements Over \$100,000*. This budget approval delegates to staff payment authority for the line items listed in the document. The Board of Directors designates the authority to commit specific funds as indicated below:

### a) Operating and Pre-Treatment Funds

<b>Coaches:</b>	up to \$10,000
<b>Work Group Managers:</b>	up to \$50,000* (see section b & c below)
<b>General Manager:</b>	up to \$100,000
<b>Board of Directors:</b>	above \$100,000

- b) **\*Vehicle and Equipment Funds (VHEQ):** The Collection Services Manager or other Work Group Manager designated by the General Manager is authorized to approve individual expenditures of Board approved VHEQ budgeted funds for purchases of the vehicles and equipment listed in the budget and made with those funds, regardless of amount, provided the budget is not exceeded by more than 15%.

The Collections Services Manager or designee will obtain Board approval prior to authorizing any of the following:

- Increase in the purchase quantity of a listed vehicle or equipment item;
- Addition of a newly-identified vehicle or equipment for purchase not listed in the approved budget;
- Purchase of an upgrade to a District vehicle or equipment item not listed in the approved budget;
- Expenditure exceeding 15% of the estimated purchase amount for a listed vehicle or equipment over \$100,000.

- c) **Special Projects Funds (SPF), Structural Renewal and Replacement Fund (RNWL), Renewal and Replacement Fund (RRF)\* and/or Capacity Funds (CPTY):** Approval of individual expenditures of Board approved SPF, RNWL, RRF AND/OR CPTY budgeted funds is authorized by the TS Workgroup in accordance with the [Approval Authority Levels of Expenditures for Approved, Budgeted Funds For TS Workgroup matrix](#). \*does not include (VHEQ)

Approval of individual expenditures made by a Work Group other than TS using SPF, RNWL, CPTY, and RRF funds, may be authorized by any employee shown as the "Project Manager" or "Program Manager" for any project or purpose as listed in the current Operating and CIP Budgets with an appropriate account number, provided that the total

project budget amount is not exceeded by more than 15%. The General Manager has the same authority as Project/Program Managers. Project or Program Managers may be assigned to a project after the budget is approved.

The Project Manager/Program Manager is responsible for maintaining an accurate accounting of the funds used and obtaining Board approval prior to authorizing any overages in excess of 15% of the project budget.

## **ARTICLE 2 - METHODS OF PROCUREMENT**

### **a) Small Purchases Less than \$15,000 for Goods and Non-Professional Services and Professional Services:**

Expenditures for the procurement of supplies, equipment, and/or materials having an estimated value of less than \$15,000 may be made on the open market with the requestor's discretion without following the formal procurement methods. Procurement requirements shall not be artificially divided so as to circumvent the formal bidding requirement. Approved methods:

- **SINGLE QUOTE:** A single quote may be obtained to purchase goods and services. The Work Group should request that the vendor provide a written quote containing all details of the purchase. It is suggested that, when time allows, three (3) written competitive quotes be obtained via fax or email, to ensure you are receiving the best value for the District.
- **PRODUCT DEMONSTRATION:** Purchasing must be notified before a product is demonstrated for potential use. Purchasing will provide assistance in the process to determine if a competitive process is warranted.
- **CAL-CARD credit card, established Blanket Purchase Orders (BPO's) and District Purchase Orders** may be used to acquire common goods and services needed in the District's day-to-day operations, in accordance with other applicable policies or procedures.

### **b) Informal Bidding \$15,000- \$50,000 for Goods and Non-Professional Services**

Approved methods:

- **REQUEST FOR QUOTES (RFQ):** A RFQ issued by Purchasing to purchase goods and Non-Professional Services with an attempt to receive three (3) qualified quotes. Awards should be made to the vendor offering the lowest responsive and responsible bid based on the best value determined by the District.
- **PRODUCT DEMONSTRATION:** Purchasing must be notified before a product is demonstrated for potential use. Purchasing will provide assistance in the process to determine if a competitive process is warranted.

**c) Professional Services above \$15,000 and Formal Competitive Sealed Bidding Above \$50,000 for Goods and Non-Professional Services:**

Approved methods:

- **INVITATION FOR BID (IFB):** An IFB is a formal procedure issued by Purchasing to solicit bids for Goods and in some cases, Non-Professional Services. An award will be made to the vendor offering the lowest responsive and responsible bid based on the best value determined by the District.
  - Bid procedures shall be open and unrestricted; however, the District shall not be obligated to solicit bids from every supplier for every requirement. It is in the District's best interest to ensure that an adequate number of bidders are solicited to achieve optimum competition.
  - If only one (1) responsive bid is received in response to the IFB, an award may be made to the single contractor if the District finds that:
    - (1) the price(s) submitted are fair and reasonable,
    - (2) other prospective bidders had reasonable time to respond, or
    - (3) there is not adequate time for re-solicitation.
  - Otherwise, the bid may be rejected and new bids may be solicited, the proposed procurement may be canceled; or if the District feels the one price is not reasonable, and the re-solicitation results would not change, negotiations may be entered into with the lone bidder. If new bids are solicited, the prices originally submitted shall not be released to the public in order to maintain the integrity of the procurement process.
- **PRODUCT DEMONSTRATION:** Purchasing must be notified before a product is demonstrated for potential use. Purchasing will provide assistance in the process to determine if a competitive process is warranted.
- **REQUEST FOR PROPOSAL (RFP):** A RFP is a formal objective method of contracting for complex goods, Non-Professional Services or Professional Services whereby proposals are solicited from qualified vendors to submit an offer to a request when the specifications are complex in nature and several factors need to be considered along with price.
  - Awards are based on the offer that best meets the needs of the District and is most advantageous in terms of the criteria as designated in the RFP.
  - An RFP should not be used when the goods or services are standard, routine or common "off-the-shelf" in nature.
- **REQUEST FOR QUALIFICATIONS (RFQ):** A qualification based selection is a method used for Professional Services where the most qualified firm is selected through a competitive process utilizing criteria related to the competence and qualifications of the individual or firms to establish a rank order. Prices are not revealed during the competitive selection process.

- **PRE-QUALIFICATION LIST:** An active [Pre-Qualification List](#) established as a result of a Statement of Qualifications (SOQ) may also be utilized to award a Professional Services Contract.
  - Professional Services above \$100,000 require the issuance of a letter of proposal, or invitation to an interview process to three (3) qualified vendors before awarding a contract.
  - CIP maintains pre-qualified consultant short list for three categories: pipeline design, plant and pump station design, and construction management. Every three years CIP evaluates each consultant's performance during the prior 3 years and determines which firms will remain on the list, which consultants will be removed from the list, and which firms will be asked to submit an updated SOQ. Other consultants, not on the list but that have indicated during the prior 3 years that they are interested in being on the list, are also invited to submit SOQ's. This determination is taken to the Board as an information item.

**\*Note Goods, Maintenance & Repair Projects, Special Projects – Construction and Non-Professional Services:** Cost criteria, including warranty and life-cycle costs, shall be weighted at least 80% when RFP's are issued for purchases over \$50,000.

Exceptions include:

- Cost criteria less than 80% weighting must first be approved by the Executive Team.
- Work Group Managers can decide on the weight applied to cost for purchases under \$50,000.

**d) CIP Projects:**

Expenditures for District Projects that exceed \$15,000 must be contracted for by formal competitive bidding and let to the lowest responsive and responsible bidder after notice, subject to the provisions of Section 20800 et. seq. of the California Public Contract Code.

**e) Cal-Card:**

The District's credit card (Cal Card) may be used for purchases in accordance with the rules and regulations set forth in the Cal Card Handbook.



**f) Cooperative Contracts:**

To the extent allowed by law, the District may participate in and acquire items under cooperative contracts. Since pricing of goods and services offered under cooperative contracts has already been competitively bid or assessed, the resultant pricing is considered fair and reasonable and no further District bid-solicitation actions are required.

**g) Sole Source:**

Employees requesting a purchase of goods or services from a single manufacturer or other supplier source (dealer, distributor), other than for "Sole Source Equipment" defined herein shall execute Purchasing's "Non-Competitive Procurement Request" form.

- Requests for over \$15,000 value per item, group of items or service, require Executive Team approval. The Purchasing Agent will evaluate the elements for the request and make a recommendation to purchase the good or service from the suggested source, or solicit the market for the item. If Executive Team approval will not be timely, the General Manager can also provide approval.

**h) Plant and Pump Station Standardized Equipment List:**

For efficient maintenance and operations of plant and pump stations, certain pieces of equipment have been standardized throughout the plant and pump stations. This minimizes spare parts inventory, training, and operations of this equipment. The Plant and Pump Station [Standardized Equipment List](#) has been instituted to document the approved equipment qualified to be on this document. The list shall be maintained by Purchasing and shall be reviewed by the Executive Team and legal counsel every five years. Any addition to the list will be reviewed by the Executive Team using the Non-Competitive Procurement Request form to capture the justification. Staff may utilize the list to purchase listed equipment without looking for an "or equal" substitution. If only one manufacturer and/or distributor is the source for the equipment then the purchase is deemed approved as a sole source purchase.

**i) Blanket Purchase Order Agreement for Task Orders:**

CIP maintains blanket purchase order agreements with select consultants to provide professional services for projects or tasks under \$50,000 in value and have two year terms. These projects typically address an immediate need and/or other needs not associated with a Capital Improvement Project. The blanket purchase order agreement with each consultant sets the annual and total not-to-exceed budget for all services provided under the agreement and its duration. The consultant's published hourly rates and other fees are attached to this agreement. When CIP determines there is a need to hire the consultant, the consultant prepares a task order to the agreement. The task order includes the scope of services, deliverables, budget, and schedule. CIP tracks the number of task orders executed and

monitors the budgets to ensure that the terms stipulated in the agreement are met. The cumulative amount of a blanket purchase order agreement cannot exceed \$100,000 in value without having Board approval. In addition, when the two year term expires or if the term will exceed two years, staff will prepare a Board information item.

**j) Emergency Purchases:**

Declared Emergencies - District Work Groups may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods. An emergency procurement shall be limited only to a quantity of those supplies, equipment, materials, or services necessary to meet the emergency.

- In case of emergency, the General Manager may authorize the expenditures of funds in excess of the budget by resolution duly adopted by a minimum four-fifths (4/5ths) vote of the Board of Directors.
- Upon adoption of the resolution, the Board of Directors may authorize expenses in any sum required in an emergency without complying with requirements of this policy (see §22050 Public Contract Code).
- In the case of such emergency, if a 4/5ths quorum of the Board of Directors is unavailable to convene a timely meeting of the Board, the General Manager or designee is authorized to determine that the public interest and necessity demand the immediate expenditure of District funds to safeguard life, health or property and may commit up to \$500,000 for such purpose without complying with the requirements of this Policy.
- The General Manager or designee shall, at the earliest reasonable opportunity, notify the Board of Directors of such an emergency and the need for such expenditure. Following such notification, the Board of Directors shall hold an emergency meeting to authorize or discontinue additional expenditures pursuant to the emergency (see §22050 Public Contract Code).
- Proper purchase requisition procedures and approval limits remain the same for the authorization of the expenditures; however, formal bidding procedures may not apply.

Emergency Operational Purchases –

- Emergency Operational purchases may be made using the limits listed under Article 1 a.

### ARTICLE 3 – CONTRACTING AUTHORITY

The following is a list of all positions authorized to enter into contracts for purchases of Goods, Non-Professional Services, Special Projects, District Projects, Maintenance and Repair Projects and Professional Services.

- a) **Up to \$5,000:** Authority has been granted for the Storekeeper to execute agreements where the aggregate value does not exceed \$5,000 for the replenishment of inventory stock goods.
- b) **Less than \$50,000\*:** Authority has been granted for Work Group Managers to execute agreements where the aggregate value does not exceed \$50,000 by following the appropriate methods of procurements as defined in this policy.

**\*Note:** This authority does not include the purchase of Goods.

- c) **Up to \$100,000:** Authority has been granted to the District General Manager and Purchasing Agent to execute agreements where the aggregate value does not exceed \$100,000 by following the appropriate methods of procurements as defined in this policy (see section \* below).
- d) **\$100,000 and Above:** Board of Directors' approval is required to execute agreements where the aggregate value exceeds \$100,000 by following the appropriate methods of procurements as defined in this policy.
  - **\*Technical Services (TS) Workgroup:** Authority to enter into contracts funded as District Projects, Maintenance & Repair Projects, Special Projects, and Professional Services, including construction contract change orders, consultant/professional services task orders, and subsequent amendments using SPF, RNWL and/or CPTY accounts shall be made in accordance with the [Approval Authority Levels for Entering Into Contracts For TS Workgroup matrix](#).

### ARTICLE 4 - PROTEST OF BIDDING PROCEDURES

- a) **Authority of Officials:**

The procedures for protesting competitive bidding processes and selection of successful bidders described below are mandatory, and the time limits are absolute. The purpose of this article is to minimize disputes and litigation.

For "District Projects", bid protest procedures shall be as described in Section 00100, "Instructions to Bidders", of the project specifications. For all other competitive bidding processes, the Business Services Manager shall in all cases address the issues in relation to the approval in awarding of contracts and the fulfillment or interpretation of these purchasing guidelines. The decision of the Business Services Manager shall be final, subject to appeal to the General Manager.

In the event that a party to a bidding process disagrees with the District's recommendation of award of any contract submitted to competitive bidding, the protest must be submitted in writing within five (5) working days of the award recommendation of the contract. The Business Services Manager shall respond within ten (10) working days of receipt of the protest.

Failure to submit a written protest within five (5) working days of the District's recommendation of award of the contract shall constitute a waiver of any protest or appeal and any right to file a claim or initiate a lawsuit regarding the award of the contract.

**b) Appeal:**

For "District Projects," the procedure for appealing District decisions on bid protests, shall be as described in Section 00100, "Instructions to Bidders", of the project specifications. For all other appeals, where the bidder disagrees with the decision of the Business Services Manager or intends to file any claim or action against the District for compensation, injunction or other relief regarding the award of a contract, the claim or appeal shall:

- be in writing
- be directed to the General Manager, and
- include the documents necessary to substantiate the position of the claimant

Such claim or appeal must be filed on or before the tenth (10th) working day following the decision of the Business Services Manager.

The General Manager shall respond in writing to any such written claim or appeal of the protest decision within 45 calendar days of the receipt of the claim or appeal of protest decision. However, the General Manager may request in writing, within 15 calendar days of the receipt of any claim or appeal of protest decision, any additional documentation and information supporting the claim or appeal that relate to any defenses or claims the District may have with respect to the claim or appeal of protest decision. Additional documentation and information requested must be requested and provided by bidder within fifteen (15) calendar days of such request.

The decision of the General Manager shall be made within fifteen (15) calendar days of the completion of submission of all information relative to the claim or appeal of protest decision.

Any bidder dissatisfied with the bidding process or the awarding of any contract for a procurement has no right to appeal to the Board of Directors of Union Sanitary District.

The decision of the General Manager will be final and constitute exhaustion of administrative remedies by the bidder.

If the bidder is not satisfied after response by the General Manager, the bidder may file a claim pursuant to Chapter I (commencing with Section 900) and Chapter 2 (commencing with Section 910, or Part 3 of Division 3.6 of Title I of the California Government Code). The procedures outlined above shall not extend the time to file a formal claim to the Board of Directors pursuant to Section 900 et seq. of the Government Code.

**Employee Responsibility:** District employees who are involved in any purchasing activity have the responsibility to follow this policy and supporting procedures.

**Purchasing Responsibility:** The Purchasing Staff has the responsibility to coordinate and support the purchasing activity and adhere to this policy and supporting procedures.

**Management Responsibility:** The District's management staff has the responsibility to ensure that this policy and supporting procedures are followed by employees. The Executive Team will periodically review sole source purchases between \$10,000 and \$15,000.

Approved by:	Board of Directors
Author/Owner:	Business Services Manager
Reviewers:	Executive Team, Purchasing Agent
Notify Person:	Business Services Manager
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