

WEST BAY SANITARY DISTRICT
PURCHASING POLICY
APPROVED MAY 26, 2010
Revised November 13, 2019

Purpose

These procedures have been prepared to establish and clearly define the responsibilities of each employee and department as related to purchasing, to maintain an internal centralized control over the purchase of goods or services, to reduce the time required to pay invoices to a minimum, and to obtain purchases with the best prices consistent with quality.

The first step in the purchasing function is the preparation of a purchase requisition. All purchases other than petty cash purchases must be initiated by a purchase requisition, unless the Department Purchasing Supervisor requests the purchase, in which case a purchasing requisition is not required.

No orders may be placed for goods or services, and no purchase order is valid, without prior written approval of the Department Purchasing Supervisor or District Manager.

An employee who needs to purchase goods or services shall first prepare a purchase requisition and attach whatever quotes or additional information as may be required by these policies or such additional information as may be required by the Department Purchasing Supervisor.

Section 1. Division of Responsibility

For the purposes of this section the title Department Purchasing Supervisor shall refer to, and the responsibilities within the operating departments shall be, assigned as follows:

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| 1. Administrative and General: | Office & Communications Manager |
| 2. Collection System: | Operations Superintendent |
| 3. Flow Equalization Facilities: | Operations Superintendent |
| 4. Sampling and Monitoring: | Regulatory Compliance Coordinator |
| 5. Safety Equipment | Regulatory Compliance Coordinator |
| 6. Capital and IT | Projects & IT Manager |

Requester

An employee who needs to obtain goods or services in order to conduct the District's business shall adhere to the following procedure:

1. Determine exactly what is needed. Prudent purchasing requires that requests be made only for those goods or services that are necessary.

2. Prepare a purchase requisition to obtain goods or services. The requisition must include:
 - a. Vendor, vendor's address and vendor's telephone number.
 - b. Goods or services to be purchased.
 - c. Purpose of goods or services to be purchased.
 - d. Additional information as may be required by Section 3 of this policy, or as may be required by the Supervisor or District Manager.
 - e. The requester's signature.

Department Purchasing Supervisor

The Supervisor authorizing and signing the purchase requisition and purchase order shall adhere to the following procedure:

1. Determine that goods or service requested are appropriate and will accomplish the proposed purpose and approve specifications when required.
2. Determine that the requirements of Section 3 of this policy have been met.
3. Determine that the goods or services requested do not exceed the District's inventory requirements.
4. Authorize purchase requisition and prepare or authorize the preparation of a purchase order and send to Dept Manager or District Manager for approval.
5. Maintain list of qualified vendors acceptable to the District.
6. Determine that goods or services have been received in good order and in accordance with specifications.
7. Submit written receipt or Invoice for services or a packing slip signed by the receiver of goods to the Finance Department. A completed purchasing package for operational goods or supplies is defined as a signed purchase requisition, a signed purchase order, and a signed packing slip. The Finance Department will verify all purchasing packages are complete and will follow up as needed.
8. Notify Finance Department of any shortages or damages.

Finance Department

The Finance Department shall adhere to the following procedure:

1. Determine availability of funds.
2. Determine that purchase requisitions and purchase orders have been prepared and authorized in accordance with this policy.
3. Audit for a complete purchasing package and pay all invoices.
4. Advise the District Manager of any discrepancies between purchase orders and invoices prior to payment.

Purchase orders issued by the District for goods or services must be signed by the department supervisor or the District Manager prior to the order of goods and/or services, depending on the amount, in order to be valid unless purchased through a pre-approved Open Purchase Order, pre-approved account (eg. Home Depot), or during extremely urgent or emergency conditions. Any purchase order, which does not meet this requirement, shall not be processed (nor any related invoice paid) and brought to the attention of the District Board at the next regularly scheduled meeting.

District Manager

The District Manager shall adhere to the following procedure:

1. Determine that the goods or services requested are necessary to conduct the District's business.
2. Determine that the purchasing procedures set forth in this policy have been adhered to.
3. Approve all purchases in excess of \$5,000.00.

Section 2. Purchasing Cycle

Purchase of goods or services shall be made only after a purchase order is authorized according to this policy or an agreement is entered into by an authorized District representative (the District Manager or his/her assignee).

- A. If not budgeted, the District Manager shall request Board authorization to purchase any capital item, including tools, equipment, furniture or fixtures costing in excess of \$5,000.00 and/or having an estimated life of three years or more and be handled according to standard accounting practices.
- B. Determination of the value of a purchase shall include all cost pursuant to their utilization of an item for its intended purpose, including taxes, freight, modification, interest and any other relevant costs. **No Contract or purchase shall be subdivided to avoid the requirements of these purchasing procedures**

Section 3. Purchasing Procedures – Amount of Purchase

1. Purchases to \$150.00:
 - a. Purchases usually will be made with petty cash and do not require a purchase requisition nor a purchase order.
 - b. Only the District Manager may make exceptions up to \$250.00.
 - c. Payments from petty cash must be made with a petty cash receipt form.
 - d. The petty cash receipt must be signed by the employee receiving the petty cash and the employee's immediate manager.
 - e. The petty cash must be balanced monthly and shall be maintained by the Petty Cash Custodian and the Finance Department.

***** PURCHASES MADE UNDER SECTION 3 (2)(3)(4)(5)(6) MUST MEET THE REQUIREMENTS OF SECTION 1 AND 2 OF THIS POLICY. *****

2. Purchases of \$00.00 to \$4,999.99:
 - a. Placed with a qualified vendor.
 - b. Purchase order may be issued without a determination of availability of funds.
 - c. For purchases beyond the limits of petty cash and less than \$1,000,

a purchase requisition form must be approved and submitted unless a Corporate Purchase Card is used.

- d. Purchases over \$1,000 require a purchase requisition and purchase order to be completed unless for a routine purchase by Corporate Purchase Card approved by the District Manager or via Open PO.

3. Purchases of \$5,000.00 to \$14,999.99:

- a. Whenever possible and reasonable, at least three informal prices will be obtained from qualified vendors. Written or electronic quotations shall be secured.
- b. Availability of funds is required.
- c. Simple, concise specifications may be furnished to the Administration Office for obtaining quotations.
- d. Purchases require District Manager approval prior to issuance of the purchase order.
- e. Purchases or payments in this price category can be made by Corporate Purchase Card if approved and deemed beneficial to the District by the District Manager. These purchases/payments must be specifically reported to the District Board in the first instance and coded as paid by Corporate Purchase Card in the Board packet Withdrawal Orders thereafter.

4. Purchases of \$15,000.00 to \$24,999.99:

- a. Purchase must be approved by adoption of the budget or directly by the District Board.
- b. Written specifications shall be required prior to purchase.
- c. Written quotations shall be solicited from three or more qualified vendors whenever possible.
- d. Availability of funds is required.
- e. The District Manager, prior to issuance of a purchase order, shall approve purchase to the lowest responsible vendor.
- f. Purchase from sole source vendors shall be reported to the District Board at the next regularly scheduled meeting via Withdrawal Order report.
- g. Should the District Manager determine that the lowest quote(s) is (are) unresponsive, the District Manager shall ask the District Board to ratify the District Manager's determination prior to purchase.
- h. The District Manager shall report to the District Board all purchases made pursuant to this subsection (Section 2 (4)) at the first regular Board Meeting following the purchase.

5. Sewer Construction Contracts of \$15,000.00 or more:
 - a. Contract requires formal bid process in compliance with the public contract laws.
 - b. Contract must be approved and bid awarded by the District Board.
 - c. Applicable provisions of the Health and Safety Code and the Government Code of the State of California must be followed.
 - d. Availability of funds is required for award of bid to be recommended to the District Board and purchase order issued.
 - e. Should the District Manager determine that the lowest bid(s) is (are) unresponsive, the District Manager shall ask the District Board to ratify the District Manager's determination prior to purchase.

6. Purchases of \$25,000.00 or more:
 - a. Purchase must go to competitive bidding and be approved by the District Board to go to bid, unless purchased through a Cooperative purchase agreement or Piggyback purchase as outlined in Section 7.
 - b. Written specifications shall be required prior to obtaining bids (except sole source items).
 - c. Formal Invitation to Bid, Request for Proposal, or Request for Quote shall be solicited from multiple qualified vendors.
 - d. Availability of funds is required.
 - e. The District Manager shall evaluate all bids, proposals, or quotes received and recommend the Best Value. Best Value shall mean the bidder who meets the best interests of the District as determined by the District Manager. The District Board in their sole and absolute discretion pursuant to the criteria outlined by the District in its Request for Quotes, Request for Proposal or Invitation for Bid shall authorize District Manager to award the bid to the best value vendor.

7. Cooperative and Piggyback Contracts

Piggyback purchases are purchases made under the terms and conditions of another public agency's contract which was executed utilizing a competitive bid process. The Contractor must agree to extend its pricing, terms, and conditions to other public agencies. Prices quoted through a competitive bidding process by another public agency, may be used for purchasing equipment, services, and supplies for use in the District when it is recommended by the District Manager and approved by District Board that it is the Best Value and in the District's best interest. Sections 3.1, 3.2, 3.3, 3.4, and 3.6 do not apply to this subsection.

Cooperative purchase agreements can be utilized to provide financial benefits to the District when purchasing, equipment, furniture, vehicles etc. Recognized cooperative purchase agreements such as California Multiple Award Schedules (CMAS), General Services Administration (GSA), California State Bids, or other

multi-government agency agreements can be used in place of the formal invitation to bid process when advantageous to the District.

Section 4. Receipt of Purchases

- a. All goods received must be listed on a “goods and services receipt form”. A packing list may be used for this purpose.
- b. All shortages must be noted on the goods and services receipt/packing slip, which is then provided to the District’s Finance Department.
- c. The District employee receiving the goods must clearly print his/her name on the “goods and services receipt form”.
- d. For receipt of services delineated as Repairs and Maintenance in the District Budget, the Supervisor shall provide the Finance Department with a signed “Services Receipt” indicating that the work has been completed to their satisfaction.

Section 5. Emergency Purchases

The District Manager shall make all emergency purchases in accordance with Public Contract Code Section 22050 et seq., and District Board Resolution 1253 (95).