

# Part 5 PROPERTY

## Chapter 1 Procurement Policy and Procedure

### Article – 1 Rules

#### 1.1 Policy and Procedure Statement

This Procurement Policy and Procedure implements state procurement laws and represents a governance decision made by the District's Board of Directors for providing information and direction designed to achieve value in conformance with procedure for each acquisition.

#### 1.2 Definition of Terms

The following terms shall apply to this policy and procedure:

- (a) Agreement - a situation in which two or more parties share the same opinions and agree to the terms and conditions in order to enter into a binding contract.
- (b) Amendment / Change Order - a change, modification or addition to the terms and conditions of an existing fully executed Contract or other Legal documentation.
- (c) Bidder – a contractor that provides a solicitation response that satisfactorily addresses all the requirements specified in a solicitation.
- (d) Board – The District's collective five elected Board of Directors.
- (e) Centralized Purchasing – Finance Department staff responsible for processing the acquisition of goods and services; all Board approved contracts and pre-approved Justification Memos for procurement of goods and services require purchase orders from Centralized Purchasing and are created only by Finance Department.
- (f) Consultant - an individual, firm, company, or entity that provides professional services.
- (g) Contract - a binding written agreement between two or more parties for procurement of goods or services (Professional or Non-Professional), and that includes elements of offer, acceptance, consideration, insurance requirements and indemnification for Professional Services Agreement (PSA), Service Agreement (SA) and Service Purchase Order (SPO).

- (h) Contractor (also referred to as Service Provider) - an individual, firm, company or entity that provides or undertakes a contract to provide materials or labor to perform a Non-Professional Services.
- (i) Construction – means building or other infrastructure construction, alteration improvements or repair.
- (j) Construction Agreement (Public Works) (CA) – a binding contract for the construction, alteration, improvement or repair to any public structure, building, road or other improvement awarded in accordance with the terms and conditions of the Request for Bid (RFB) documentation and process.
- (k) Conflict of Interest - A situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between self-interest and professional interest or public interest.
- (l) Cooperative Purchase – The acceptance of contract terms and conditions competitively created by another jurisdiction.
- (m) Department (Senior) Manager Authority – Authority to purchase goods in value up to \$2,500, and non-professional services in value up to \$5,000. Department (senior) managers have no authority to independently purchase professional services.
- (n) Disadvantaged Business Enterprise (DBE) – DBEs are for-profit small businesses where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations, owned by women or members of a minority group. Minority group refers to African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans who are citizens and lawful permanent residents of the United States.
- (o) Emergency Repairs & Services – Repairs and Services performed on District's facilities that are unplanned, unexpected and which are essential to the continued operation of the District facilities as determined by the General Manager.
- (p) Formal Solicitation – a written solicitation process for goods or services valued \$25,000 or more in response for Request for Bids (RFB), Request for Proposals, (RFP) or Statement of Qualifications (SOQ). The contracts that result from formal solicitation are approved by Board authority and executed by General Manager after approval as to form by General Counsel.
- (q) General Ancillary Services - Services that fall within the scope of work as defined by a vendor's contract with the District, but which the vendor is not capable of or not legally or otherwise authorized to perform. This includes, but is not limited to,

subcontracts or other third party agreements involving maintenance services at water pumping stations, electrical services, or other services requiring a special license or certification to perform.

- (r) General Manager's Authority - Authority to approve informal solicitation, non-procurement and sole source awards up to \$25,000; to grant contract time extensions; to expense Board-approved contract contingencies; to approve legal settlements up to \$10,000; to dispose of surplus property up to \$5,000 in value; and to designate and expend funding up to \$25,000 for a procurement or payment.
- (s) Goods - Supplies, materials, equipment, consumer products, and any other tangible personal property.
- (t) Informal Solicitation – written solicitation process for goods or services valued at \$25,000 or less. Written requests created by Central Basin staff may take the form of and possess content similar to a Request for Proposals (RFP) or Request for Quotations (RFQ) but shall be clearly identified as “Request for Informal Solicitation.” The contracts that result from informal solicitation, as approved to form by General Counsel, are executed under the General Manager's authority.
- (u) Justification Memo (JM) – document prepared by the project manager justifying and establishing a requirement for, and requesting authorization under General Manager's authority. An approved JM is an essential component in the creation of certain contract and binding documents (PSA, SA, SPO or PO) for the procurement of goods or services. The District's use of the JM is limited herein to specified elements of informal solicitations, the expensing of contract contingencies, the award of sole source contracts less than \$25,000, and requests for contract time extension.
- (v) Lease - a written contract conveying from one party to another the use of real estate or personal property for a designated period in return for payment or other consideration.
- (w) Local Business - business that is located within the District service area and Los Angeles County.
- (x) Non-Professional Services – services provided by a contractor, including, but not limited to, construction, repair, operation, maintenance services, janitorial services, landscape maintenance, or security services.
- (y) Professional Services – any specifically trained or experienced person, firm or entity specializing in financial, economic, accounting, engineering, information technology, legal, architectural, public relations, or other specialized disciplines. Services may include the provision of a report, study, plan, design,

specification, document, program, advice, recommendation, analysis, review, opinion, inspection, investigation, audit, brokering or representation of the District before or in dealings with another party.

- (z) Professional Services Agreement (PSA) – a written binding contract for a Professional Services provider.
- (aa) Proposer - Consultant or contractor that submits a written proposal in response to a formal or informal solicitation.
- (bb) Purchase Order (PO) – An authorization form generated and issued by the District under which the vendor is to provide goods for which the District agrees to pay. A purchase order sets forth the descriptions, quantities, agreed prices (as per quotations), discounts, shipment, delivery requirements and other associated terms and conditions.
- (cc) Request for Quotation (RFQ) - A written request for the submission of a price quotation to provide goods or services.
- (dd) Request for Bids (RFB) – A solicitation process in which the terms, conditions and specifications are described in a written request for the submission of a sealed price bid to perform construction work on Public facilities. Bids are opened and awarded in a public meeting. Once awarded, Bids are not subject to negotiations.
- (ee) Request for Proposal (RFP) – A solicitation process in which the terms, conditions and specifications are described in a written request for the submission of a sealed price proposal for the procurement of goods and services requested by the District. Once received by the District Proposals are negotiated to achieve best quality and value for the District.
- (ff) Request for Services (RFS) - A solicitation process in which the terms, conditions and specifications for an Engineering & Operations Services are described in a written request for the submission of a price proposal to perform Engineering & Operations work on District’s request. RFS is only issued to all the vendors from the Pre-qualified list prepared from the RFQ.
- (gg) Services – The labor, intellectual property or other work product provided by a contractor or consultant that is not tangible personal property.
- (hh) Services Agreement (SA) – A written binding contract for a Non-Professional Services provider.
- (ii) Service Purchase Order (SPO) – A written binding contract that may also be issued for the procurement of Professional or Non-Professional Services that are short term or for a “one time” engagement. This SPO must include

indemnification and at least one of the District's insurance requirements depending on the nature of services.

- (jj) Sole Source Procurement - An acquisition made without competitive bidding in response to emergency or in circumstances when only, one vendor can meet the District's needs.
- (kk) Solicitation – The process used to communicate procurement requirements and to request responses from interested vendors. A solicitation may be, but is not limited to, a RFB or RFP.
- (ll) Statement of Qualifications (SOQ) - A solicitation process in which a Statement of Required and/or Desired Qualifications is issued in a written request for the submission of qualifications to procure a prep-qualified list for a particular service. The SOQ process is primarily used to get a prep-qualified list of vendors for Engineering Services. Only those vendors who successfully respond to the SOQ and meet the qualification criteria will be included in the subsequent Request for Services (RFS) solicitation process
- (mm) Supplier – A provider of tangible goods and services such as contractor or consultant or a provider of goods.

### **1.3 Vendor Registration (“Doing Business With Us”)**

Vendors desiring to receive solicitation notices from the District's posting of RFP, RFQ, RFB, and/or SOQ information are encouraged to register on the Vendor Registration page on the District's website. The vendor will receive an email message each time they match a new solicitation posted by the District. The Vendor Registration database shall be maintained by the Finance Department.

### **1.4 Solicitation**

#### **A. Informal Solicitations for Goods and Services Valued at Less than \$25,000**

For informal solicitations, a minimum of three (3) competitive written price quotations from different vendors shall be solicited. If fewer than three quotes are obtained or are available, the reason, including the efforts or actions taken to obtain quotes, shall be documented and included in the District records of the transaction with the other quotes received. Requests for written price quotations may take the form of and possess content similar to a RFP or like documents, but shall be in all cases clearly identified as “Request for Informal Solicitation.” Proposer responses to a Request for Informal Solicitation shall in all cases be clearly identified as “Response to Informal Solicitation.”

Informal solicitations shall be advertised on the District's website, for a minimum of seven (7) calendar days.

Proposals submitted in response to the informal solicitation process will be evaluated by District staff. Third parties with relevant expertise may be added to the evaluation process according to the discretion of District staff. The decision to award contract or agreement in informal solicitations, however, is predicated upon approval of a justification memorandum.

B. Formal Solicitations for Goods and Services Valued at \$25,000 or more

Formal solicitations shall be advertised on the District's website, and as otherwise required by law for a minimum of fourteen (14) calendar days.

(a) The formal solicitation process requires a written Request for Proposal (RFP), and should include the following (as applicable):

1. Scope of work to be performed or Goods to be acquired.
2. A list of basic questions regarding each firm (address, number of personnel, qualifications, experience, key personnel, etc.).
3. A description of the proposal requirements and evaluation criteria to be used by the District.
4. A fee schedule.
5. An explanation of the District's insurance requirements.
6. A sample contract, which the vendor will be required to execute, if selected.
7. An admonition which shall obligate the proposer to clearly indicate pages or sections of the proposal that are considered confidential or proprietary in the event that the District is called upon to comply with disclosure laws requiring public dissemination of the proposal.
8. An admonition which shall be in substantially the following format:

“As of the date of this Request for Proposals and continuing until the notice of intent to award is released or the recommended contract is placed on the agenda of the Board for a public meeting, all proposers are specifically directed not to hold any discussions, meetings, conferences or technical discussions regarding the RFP with District officials or employees. During the submittal period, questions regarding this RFP may be directed only to the person indicated in the cover letter or emailed to the individual.

Contact with any other District official or employee during the submittal period regarding this RFP may be cause for immediate disqualification of the Proposer as determined in the sole discretion of the District Board.”

9. An admonition which shall be in substantially the following format:

“It is improper for any District officer, employee, or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion, or statement that the Proposer’s provision of the consideration may secure more favorable treatment for the Proposer in the award of the contract or that the Proposer’s failure to provide such consideration may negatively affect the District’s consideration of the Proposer’s submittal. A Proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a District officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the contract.

A Proposer shall immediately report any attempt by a District officer, employee, or agent to solicit such improper consideration. The report shall be made to the District’s General Manager and/or the District’s General Counsel. Failure to report such a solicitation may result in the Proposer’s submittal being eliminated from consideration.

Among other items, such improper consideration may take the form of a campaign contribution, cash, discounts, services, the provision of travel or entertainment, or tangible gifts.”

In all cases, solicitation documents, proposals and resulting contracts shall include in the scope of work specific, well-defined project deliverables, measurable results, timelines or progress reports, and evaluations of the contractor(s) once work is completed.

(b) All proposals submitted in response to a formal solicitation process will be evaluated by a review panel consisting of District staff. A third party (not an employee of the District) with relevant expertise may be added to the review panel according to the discretion of the General Manager.

1. Interviews may be conducted with the most qualified proposers and proposed project team to assure a mutual understanding of the project and to obtain additional details related to their capabilities. A third party (not an employee of the District) with relevant expertise may be added to the interview panel according to the discretion of the General Manager.

2. Based upon a review of proposals and interviews (as applicable), the District shall select the most qualified proposal by taking into account the panelists' scores and rankings of the proposers by score based on all of the information obtained.
- (c) The following criteria, as applicable, shall be considered in the RFP proposal evaluation of qualified Consultants and Contractors to provide professional and non-professional services:
1. Suitability of the vendor's proposed services to meet the District's needs.
    - a. Understanding the project requirements, including identification of critical elements and key issues.
    - b. Project approach that includes comprehensive scope of work.
    - c. Project work plan that clearly defines project deliverables.
    - d. Project work plan that provides quantitative and/or qualitative measurement criteria for results.
    - e. Project work plan that offers estimated timelines for milestone completion as an aid to creating systematic progress reporting on vendor performance.
  2. Experience and knowledge of the vendor considering the type of services required and the complexity of the project.
  3. Experience and qualifications of identified team members and sub-consultants.
  4. Past record of performance on contracts with the District, other public agencies, and private industry, including control of costs, quality of work, safety history, and ability to meet schedules. Reference checks will only be conducted for a short list of vendors or the top rated vendors.
  5. Clarity and completeness of proposal.
  6. Pricing or fee schedule included for the proposed services.
  7. Evidence of how long the Vendor has been in business by submitting a copy of their business and/or any other relevant license(s).
  8. Evidence of insurance certificates.
  9. Meeting all criteria of District's conflict of interest form.
  10. Other key factors as appropriate for the type of services.



(d) Board Review and Approval

After the recommendation of a vendor is presented and reviewed by any applicable Committee, the Project Manager will provide written notice (U.S. Mail, electronic mail or facsimile) to all vendors of the recommendation the staff will present to the Board. This notice will advise vendors of the opportunity to publicly address the Board at the next meeting at which the Board plans to authorize the contract before the Board authorizes any contract for such work, goods, or services.

**1.5 Exceptions to Competitive Solicitation Requirements**

- A. Exceptions - the following purchases, payments and procurement do not require competitive solicitation process: books, periodicals, advertising, seminars, conferences, travel, subscriptions, postage, bank administrative charges, memberships, claims, travel reimbursements, or permit fees.
- B. The Board authorizes the General Manager and the Finance Director to make the following payments in order for the District to run its daily operations efficiently:
  - (a) All Southern California Edison utilities bills.
  - (b) Metropolitan Water District's water bills.
  - (c) Medical health benefit bills.
  - (d) District's liability insurance premiums.
  - (e) All other District utilities bills
- C. Sole Source - A sole source contract is a contract awarded for acquisition of goods or services without competitive bidding. Sole source contracting is limited to emergency circumstances and circumstances in which only one vendor can meet the District's needs.

All sole source acquisition requests up to \$25,000 shall be documented in the District's Sole Source Justification Memorandum, and must be approved by the Finance Director and General Manager. Sole source acquisitions up to \$25,000 shall be executed by the General Manager after approval as to form by General Counsel.

Sole source acquisitions of \$25,000 or greater require Board approval prior to execution of contract by General Manager after approval as to form by General Counsel. Agenda items presented to the Board of Directors for public approval shall strictly adhere to the topical and narrative obligations of the Sole Source Justification Memo in conformity with all District Administration formatting requirements.

The justification to support a recommendation for sole source procurement of services or goods shall meet the following criteria:

- (a) Unique capability that meets the District's needs – the goods or services to be acquired are unique to the vendor. For professional services, this shall be based on unique expertise and demonstrated competence and qualifications.
- (b) Negotiations shall be conducted with the vendor to achieve the most fair, reasonable price, terms and conditions.
- (c) A list of all sole source contracts entered under General Manager's authority shall be submitted by the General Manager to the Finance Committee on a quarterly basis and reported to the Board (see also Quarterly Contracts Reporting requirements, Section 1.16)

D. Non Procurement Agreements - Contracts, agreements and Memorandum of Understanding (MOU) with other agencies are integral and unique to the District in fulfilling its core mission to deliver high-quality water and recycled water to its customers and communities. Non-procurement agreements are the result of negotiated agreements with specific vendors to provide unique services to the District, and, as such are generally not eligible for competitive solicitation. All non-procurement agreements shall be accorded distinct evaluation and review. Non-procurement agreements up to \$25,000 shall be executed by the General Manager and approved as to form by General Counsel. Non-procurement agreements greater than \$25,000 shall be approved by the Board of Directors, executed by the General Manager, and approved as to form by General Counsel.

The following non-procurement contracts and agreements do not require procurement solicitation:

- (a) MOU with other public agencies for joint projects
- (b) Real estate leases and easements
- (c) Recycled water and imported water agreements
- (d) Conservation Partnership Agreements
- (e) Temporary staffing agencies agreements with licensed staffing agencies.

E. Cooperative Purchasing - The District may arrange to enter an agreement involving the purchase of goods or services in cooperation with another local, county, state, federal, or other public entity, or professional agency in which the District is a member in good standing, provided that:

- (a) The agreement is the result of competitive bidding or negotiation and is made in compliance with the competitive bid or proposal requirements of any participating entity or organization; and
- (b) The purchase conforms to the District's specifications for the item; and
- (c) The price established by the prior bid or negotiation is not more than six months old.

## 1.6 Financial Management System

Effective July 1, 2012, the District began operations with its automated Financial Management System (FMS), using software and a license purchased from New World Systems.

## 1.7 Approval Authority and Requirements for Procurement of Goods and Services

### A. Procurement Authority

(a) Board Authority - shall be exercised and performed by the Board of Directors in a public Board meeting. This authority includes both the authority to approve procurement and the authority to authorize the District's General Manager to approve procurement. The Board may at a public meeting delegate certain procurement authorities to the General Manager.

(b) General Manager's Authority - as delegated by the Board of Directors, shall be exercised in accordance with the approved procurement process by the General Manager.

### (c) General Procedures

1. All procurements shall be managed through written binding contracts or written purchase orders. Engagement in verbal contracts is expressly forbidden except in emergencies as provided by Part 5, Chapter 1, Article 1, Section 1.10.
2. Splitting or separating of goods or services to avoid any required procurement solicitation process is prohibited.
3. Controls shall be exercised to ensure that all expenditures for goods and services are pre-authorized and do not exceed budgeted amounts without Board approval.
4. The procurement of goods and services over \$500 requires a pre-approved purchase order.
5. All Purchase Orders shall be approved in advance by the Finance Director or Accounting Manager. Each Department is responsible for coordinating its purchase orders with the Finance Department.

### B. Purchasing Goods

District's authorized staff may purchase goods as authorized in the guidelines below:

(a) Any Purchase of Goods up to \$500:

1. Requires a Purchase Order approved in advance by the Finance Director.

(b) Single Purchase of \$500 to \$2,500:

1. Requires at least one price quotation.
2. Requires a purchase order executed by responsible Department and approved by the Finance Director.

(c) Single Purchase of \$2,500 to \$5,000:

1. Requires three competitive price quotations.
2. Requires justification memo approved by Finance Director and General Manager.
3. Requires a purchase order approved in advance by the Finance Department.

(d) Single Purchase of \$5,000 to \$25,000:

1. Requires informal solicitation process with at least three competitive price quotations or proposals.
2. Requires justification memo approved by the Finance Director and General Manager.
3. Requires a Centralized Purchasing-approved purchase order, or, if contract required or preferred, a contract executed by the General Manager and approved as to form by General Counsel.

(e) Single Purchase of \$25,000 or More:

1. Requires formal solicitation process and Board approval prior to execution of contract by General Manager, and approved as to form by General Counsel.

C. Leasing of Goods and Equipment

Leasing of any goods or equipment requires compliance with the same criteria described in Section B above.

D. Professional Services

Professional Services for any amount requires a contract document (SPO or PSA). The District may enter into professional services arrangements as authorized below:

(a) Services up to \$5,000:

1. Requires single price quote or proposal, inclusive of service and price.
2. Requires justification memo approved by the Finance Director and General Manager.
3. Requires a professional services agreement or engagement letter executed by the General Manager and approved as to form by General Counsel.

(b) Services of \$5,000 up to \$25,000:

1. Requires informal solicitation with at least three competitive proposals, inclusive of services and price.
2. Requires justification memo approved by the Finance Director and General Manager.
3. Requires a professional services agreement executed by General Manager and approval as to form by General Counsel.

(c) Services of \$25,000 or more:

Requires formal solicitation process and Board approval prior to execution of contract by General Manager and approval as to form by General Counsel.

(d) Amendments

1. Modifications to the terms and conditions of an existing executed contract (except for contract term extension as described in Part 5, Chapter 1, Article 1, Section 1.8) requires authorization and execution in compliance with the same criteria required for an original contract as described above.
2. Contract modifications to an existing executed contract that changes the entire scope of work and/or the nature of services or work products are forbidden. Said contracts, with entire new scope of work, must be rebid in their entirety.

E. Non-Professional Services

Non-Professional Services requires a contract document (PO or SPO or SA). The District may enter into non-professional services arrangements as authorized below:

(a) Services up to \$5,000:

1. Requires single proposal or price quotation
2. Requires a purchase order by responsible Department

(b) Services of \$5,000 to \$25,000:

1. Requires informal solicitation with at least three competitive proposals, inclusive of services and price.
2. Requires justification memo approved by Finance Director and General Manager.
3. Requires a SPO or services agreement executed by General Manager and approval as to form by General Counsel.

(c) Services over \$25,000:

1. Requires formal solicitation process and Board approval prior to execution of contract by General Manager and approval as to form by General Counsel.

(d) Amendments

1. Modifications to the terms and conditions of an existing executed contract (except for contract term extension as described in Part 5, Chapter 1, Article 1,

Section 1.8) requires authorization and execution in compliance with the same criteria required for an original contract as described above.

2. Contract modifications to an existing executed contract that changes the entire scope of work and/or the nature of services or work products are forbidden. Said contracts, with entire new scope of work, must be rebid in their entirety.

### **1.8 Contract Term Extension**

Contract term extension shall be given under the General Manager's authority through an approved justification memo 45 calendar days prior to contract expiration. This provision only applies to time extension; no other terms and conditions of the contract shall be changed, such as scope of work, consideration, insurance or indemnity.

Contract modifications that involve a change in terms and conditions other than time extension shall only be granted if approved under all relevant terms and conditions of the Procurement Policy.

### **1.9 Contingency**

A contingency of 10% may be included in a Board-approved contracts to cover additional unforeseen work or costs that may ultimately be required. The expensing of the Board-approved contingency requires a justification memo by the Project Manager and approval by the Department Manager, Finance Director and General Manager

### **1.10 Procurement for Emergency Purchases and Services**

In the event of an emergency, the General Manager may make immediate purchases of materials and/or services pursuant to California Government Code requirements. Emergency purchases include any purchase required to prevent imminent danger or to prevent or mitigate the loss or impairment of life, health, property, or interruption of essential public services. Every effort will be made to receive advance approvals or to obtain approvals as soon as possible following the procurement.

Any expenditure for emergency repairs or services shall be submitted to the Board of Directors at the next Board meeting for ratification.

### **1.11 District Credit Cards**

District-issued credit cards are used when necessary to accomplish small business transactions that require immediate payment, such as business meals, conference/seminar registration, travel costs, and supplies for urgent/emergency requirements. In order to use a credit card for conference/seminar related travel or hotel accommodations, a travel authorization form shall be approved by the General Manger prior to making any transaction. Any purchase over \$500.00 requires a pre-approved PO and shall be made through the purchasing procedures described herein.

## **1.12 Risk Management**

The District shall obligate all vendors to provide and maintain insurance in compliance with the District's requirements for the duration of their contract. This shifts the legal and financial responsibility for losses or potential losses to the vendor, which results in protecting not only the District, but also its Board members, officers, and employees, and customers.

Any exception or waiver to this insurance requirement shall be reviewed on the basis of the scope of work, consideration amount and the type of risk (nature of work) associated with the project. Upon review, the exception and waiver shall not be effective unless and until it is approved by General Manager in writing.

## **1.13 Multi-Year Contracts and Encumbrances**

The nature of some projects requires execution of multi-year contracts. Approval of a multi-year contract not only creates a District obligation to use current year resources for the procurement of goods and services, but also encumbers District's future rates and charges as the vendor completes the deliveries of goods and services. Multi-year contracts may have the following benefits:

- (a) Cost savings through volume discount or locking in rates.
- (b) Administrative ease.

## **1.14 Economic Outreach Plan**

Economic outreach to encourage local and disadvantaged business participation will be implemented. If this plan is in conflict with federal and state laws, the federal and state laws shall prevail.

(a) The District's economic outreach plan promotes:

- 1. Creating jobs in the community;
- 2. Supporting community groups;
- 3. Investing in the community; and
- 4. Encouraging economic growth.

(b) The District shall to the extent feasible exercise good faith effort by:

- 1. Encouraging the placement of local businesses and certified small, disadvantaged business enterprises on solicitation lists. Certification for small, minority and women's business enterprises may be obtained through various authorized entities, including the California Unified Certification Program.

2. Assuring that local and certified disadvantaged businesses are afforded equal opportunities to compete with medium to large-sized and non-minority companies for District contracts.

### **1.15 General Ancillary Services**

- A. Procurement - The General Manager, or contracted vendor with approval from the General Manager, may procure general ancillary services in order to fulfill the vendor's scope of work as defined by the vendor's contract with the District, on an as needed basis for general ancillary services costing less than \$25,000. General ancillary services with a total cost of \$25,000 or more must be pre-approved by the Board.

No formal competitive bidding process or purchase order shall be required for general ancillary services. Vendors are encouraged, but not required, to engage in informal solicitation for general ancillary services, in accordance with the process described in Part 5, Chapter 1, Article 1, Section 1.4 of the District's Procurement Policy.

- B. Costs - All costs for general ancillary services shall not exceed the total amount allocated for the vendor's services as specified in the vendor's contract with the District.

### **1.16 Quarterly Contract Reporting**

The General Manager shall report in detail on all contracts engaged by the District on a quarterly basis. This contracts report shall detail all contracts in force, all contract amendments, and all contract amendment dollar amounts. This reporting obligation encompasses and expands upon the requirement to report on Sole Source contracts as found in Section 1.5 C. (c).



## **Chapter 2 Procurement Policy for Construction Contracts**

### **Article 1 - Guidelines**

#### **1.1 Public Works**

The procurement of public works by the District shall be governed by the provisions of the California Public Contracts Code Sections 20640-20645 and 21050 through 21051. All construction projects will include a community outreach component as part of the basic project structure.

#### **1.2 Prevailing Wages**

The District shall follow California prevailing wage laws and ensure that all consultants, contractors, and sub-contractors for District's contracts comply with the prevailing wage law requirements for the benefit and protection of employees in general.

#### **1.3 Formal Solicitation for Construction (Public Works) Contract**

Formal solicitations shall be advertised on the District's website, and as otherwise required by law for a minimum of fourteen (14) calendar days.

- A. The formal solicitation process requires a written Request for Bid (RFB) covering the following (as applicable):
  - (a) Instruction to Bidders
  - (b) Detailed scope of work including plans and specifications
  - (c) An explanation of the District's insurance requirements
  - (d) A sample contract which the Bidder will be required to execute, if selected.
  - (e) Bid schedule of work item and fee
- B. Recommendation for contract award will be based on the lowest bid submitted by responsive bidder.
- C. Board Review and Approval

After the recommendation of a bidder is presented and passes through the applicable Committee meeting, the Project Manager will present the contract to the Board at the next meeting at which the Board plans to authorize the contract.

#### **1.4 Economic Outreach Plan for Construction Contracts**

All District construction projects must conform with good faith effort requirements as a matter of District policy, and conform with federal and state cost cutting requirements.

- (a) Encourage the placement of qualified small and minority businesses and women's business enterprises on solicitation lists.
- (b) Encourage the solicitation of small and minority businesses and women's business enterprises whenever they are potential sources.
- (c) Divide total requirements, when economically feasible, into small tasks or quantities to permit equal opportunities for participation by small and minority-owned businesses and women-owned business enterprises.
- (d) Establish delivery schedules when the requirements of the work permit, which will encourage participation by small and minority-owned businesses and women-owned business enterprises.
- (e) Require the prime contractor, if subcontracts are to be let, to take the affirmative steps in paragraphs (a) through (d).

## **Chapter 3      Procurement Policy for Disposition of Property**

### **Article 1 - Guidelines**

#### **1.1    Property Policy**

Whenever the District has materials, supplies, equipment, or other personal property no longer needed for District purposes, the General Manager, with prior Board approval, shall arrange for the sale of such items in the manner most advantageous to the District. Upon determination by the Board that certain materials, supplies, equipment, or other personal property are surplus, the General Manager shall proceed in the following manner:

- (a) If the General Manager determines and authorizes in writing that the personal property has a value of \$5,000 or less, the personal property may be sold, exchanged, or leased without notice, or donate such personal property to a public agency or non-profit organization if such donation is deemed to be in the best interests to further the purposes of the District.
  
- (b) If the General Manger determines, and the Board agrees, that the property, or interest in the property, has a value of more than \$5,000 or is being leased for more than a year, a notice of time and place of sale or leasing shall be given by posting three notices in three public places within the District five days before the date of sale or leasing; at the time fixed for the sale or leasing, bids shall be received and the property may be sold or leased to the highest bidder or any and all bids may be rejected.

# Chapter 4 Procurement Policy for Legal Services and Related Costs

## Article 1 - Guidelines

### 1.1 Applicability

This section applies to procurement of legal services and related costs.

### 1.2 Definition of Terms

The following terms shall apply to this policy in addition to those set forth in Part 5, Chapter 1, Article 1, Section 1.3:

- A. General Counsel - Engaged attorney or law firm who provides advice or counsel on legal matters to the District as outlined in Part 3, Chapter 3, Article 1, Section 1.1.
- B. Special Counsel - Any engaged attorney or law firm other than General Counsel who provides advice or counsel to the District.
- C. Legal Ancillary Services - Any service deemed necessary by the General Manager, General Counsel, or Special Counsel in support of the District for a legal matter. Such services include but are not limited to: expert witnesses, investigatory services, evidence processing, document duplication, etc.
- D. Legal Service Provider - Any agent outlined in part A, B, or C above.

### 1.3 Legal Services

#### A. Procurement

All Legal Service Providers must enter into a professional services agreement with the District as authorized below:

- (a) Services up to \$5,000:
  - 1. Requires single price quote or proposal, inclusive of service and price.
  - 2. Requires justification memo approved by the Finance Director and General Manager.
  - 3. Requires a professional services agreement or engagement letter executed by the General Manager.
- (b) Services of \$5,000 up to \$25,000:
  - 1. Requires informal solicitation with at least three competitive proposals, inclusive of services and price.

2. Requires justification memo approved by the Finance Director and General Manager
3. Requires a professional services agreement executed by General Manager and General Counsel.

(c) Services of \$25,000 or more:

1. Requires formal solicitation process and Board approval prior to execution of contract by General Manager and approval as to form by General Counsel.

B. Minimum Contractual Provisions

All contracts with Legal Services Providers must contain a provision that limits maximum amounts eligible to be charged to the District. Additionally, all such contracts shall include anticipated hourly billable rates and a maximum hourly billable rate.

C. Reporting

The Finance Director shall track all legal expenses by subject matter or legal case as directed by the Board.

D. Invoice Approval and Payment

The General Manager and/or Finance Director has authority to approve invoices and related payments for all costs to Legal Service Providers.

**1.4 General Counsel**

A. Qualifications

The Board will engage only an attorney authorized to practice law by the State of California. If General Counsel at any time is disbarred by the State Bar of California or is otherwise unable to practice law they shall immediately notify the District and must cease acting as legal counsel. Resuming as General Counsel shall only be permitted by approval by the Board after confirmation of the ability to resume the practice of law is given to the District.

General Counsel shall meet a list of necessary minimum qualifications as approved by the Board in order to be engaged by the District.

B. Role

General Counsel shall serve as the primary agent responsible for the provision of legal counsel and for assisting in determining the need as well as engagement and coordination of Special Counsel.

C. Scope of Duties

A list of specified routine duties and expectations shall be included in a Board approved contract for any lawyer engaged as General Counsel. This list will serve as the basis for amounts eligible to be charged against an annual maximum or retainer as approved in the contract.

D. Term Extension

General Counsel shall not be retained for a period of more than three years without a review performed by the Board as to whether it is still in the best interest for the District to retain them or select another lawyer or firm. After the review is conducted, the Board may approve to retain General Counsel for another period up to three years until such time when an additional review is necessary. These term periods may continue indefinitely at the discretion of the Board.

**1.5 Special Counsel**

A. Qualifications

The Board will engage only an attorney authorized to practice law by the State of California. If Special Counsel at any time is disbarred by the State Bar of California or is otherwise unable to practice law they shall immediately notify the District and must cease acting as legal counsel. Resuming as Special Counsel shall only be permitted by approval by the Board after confirmation of the ability to resume the practice of law is given to the District.

Engagement of Special Counsel should only be made in occurrences where special legal expertise is needed or due to limitations of work capacity of General Counsel and shall be made after a recommendation is given in writing by General Counsel.

B. Role

Special Counsel shall serve as supplemental legal counsel to meet legal needs requiring specialty expertise or to assist General Counsel in meeting assigned work demands.

C. Scope of Duties

Duties will be assigned to Special Counsel in writing as needed.

D. Contract Term Extension

Contract term extension for Special Counsel shall be done under General Manager's Authority through a written justification memo by the General Manager or Finance

Director or Designee prior to 45 calendar days of contract expiration. This provision only applies to time extension and no other terms and conditions of the Contract shall be changed.

## **1.6 Legal Ancillary Services**

### **A. Qualifications**

The General Manager or General Counsel or Special Counsel, with approval of the General Manager, may procure Legal Ancillary Services when necessary to support the District in such legal matters as specified in Part 5, Chapter 4, Article 1, Section 1.2(c).

### **B. Contract Term Extension**

Contract term extension for Legal Ancillary Services shall be done under General Manager's Authority through a written justification memo by the General Manager or Finance Director or Designee prior to 45 calendar days of contract expiration. This provision only applies to time extension and no other terms and conditions of the Contract shall be changed.