

POLICY AND PROCEDURE
UNION PUBLIC UTILITY DISTRICT

DATE ADOPTED: 02/28/2024	MANUAL	POLICY NO. 3010
APPROVED BY: Board of Directors	POLICY TITLE Purchasing	Page 1-7

I. PURPOSE OF POLICY

1.1 It is the policy of Union Public Utility District to establish procedures in accordance with the regulations outlined in the State of California Government Code. Additionally, the District adheres to the guidelines governing the contracting of public projects and consulting services, as specified in the State of California Public Contract Code and the Uniform Public Construction Cost Accounting Act. This policy is designed to regulate expenditures proactively, ensuring control before committing to payment for goods or services.

II. AUTHORIZATION

2.1 By adoption of this Policy, the Board is authorizing the General Manager to exercise certain duties and responsibilities that are essential for the day-to-day operation of the District.

2.2 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.

2.3 Delegation of purchasing authority may be through the authorized use of 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.

2.4 The Board-established procurement limits that are listed in Table 1 below. These limits are applicable on a per-expenditure/per-contract basis, not on an aggregated basis, for unrelated activities.

2.5 The Contract signatory authority is the Board and General Manager.

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Table 1

Procurement Limits and Approval Authorization		
Title	Expenditures	Approval Authorization
Office Administrators	\$1,000.00 or under	General Manager's Approval Required
Water Operators	\$5,000.00 or under	Supervisor's Approval Required
Operations Manager	\$15,000.00 or under	General Manager's Approval Required
General Manager	\$150,000.00 or under	No Approval Required
<i>Board of Directors</i>	<i>\$150,001.00 and above</i>	<i>Approval Required</i>

III. GENERAL PROCUREMENT POLICIES

3.1 Procurement practices shall comply with laws, regulations and guidelines of the State and any other applicable law, and the provisions of grant or funding contracts, if applicable.

3.2 Any employee/individual effecting any procurement action outside of the policies and procedures established by this Policy and without General Manager or Board authorization to do so, shall be subject to disciplinary action and/or termination in accordance with District policies.

3.3 Expenditures and Contract awards must be authorized by the appropriate authorization level indicated in Table 1.

3.4 Purchase amounts include taxes and the cost of shipping, freight fees and any other charges billed by the supplier or contractor for purposes of the authorization limits under this Policy.

3.5 Purchase authorization and expenditure limits in Table 1, and competitive solicitation requirements in Table 2 and as further set forth in this Policy, are on a per purchase/per contract basis and shall not be applied as an aggregate limit to any vendor, supplier, or contractor.

3.6 With the exception of the General Manager, in the absence of an authorized signatory for a given request, authorization will be obtained from the next highest authority in Table 1.

3.7 The District may use electronic commerce whenever practicable or cost-effective. The District may accept electronic signatures and records in connection with District procurement, as permitted by applicable law.

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IV. PROCUREMENT METHODS

The following methods are available to initiate a purchase request or to pay for materials, services, and infrastructure development.

4.1 Purchase Order: Staff that require materials or services to carry out the defined duties of their positions shall receive authorization in advance, for purchases in accordance with this Policy and other applicable procedures and policies of the District. A purchase order will then be generated with approval of Department Manager.

4.2 Purchasing Cards: Designated staff may be assigned a purchase card for miscellaneous purchases that fall within the authorization limits in Table 1. Purchases are subject to the terms and conditions of the District Cardholder Acceptance Agreement.

4.3 Contracts: Provisions shall be made, either through specifications or procedures established by the District, for verification of the references and financial responsibility of the contracting parties prior to the award of a contract. After award, all contracts shall be executed on behalf of the District by the appropriate authorized signatory indicated in Table 1. In no case shall any contract be made if sufficient funds are not budgeted and appropriated and not available to make payment promptly upon delivery or completion, or in accordance with a progress payment schedule, unless otherwise authorized and approved by the General Manager or Board.

V. EXCEPTIONS TO PRE-AUTHORIZATION

5.1 Non-Discretionary Purchases do not require Board approval for payment, including those that exceed the General Manager limit. Initial engagement in all software license agreements and cloud-based service agreements are subject to the purchasing limitations as set forth in Table 1.

5.2 Emergency Work/Services: California Public Contract Code Sections 20806, 22035, and 22050, as applicable, govern procurement procedures when emergencies exist. When the Board of Directors declares an emergency by a four-fifths vote, when repair or replacements for services and materials are necessary to permit the continued conduct of District operations or services or to avoid a danger to life health or property, the General Manager may then proceed, at once, to replace or repair District facility(s) or infrastructure and/or procure the necessary goods and/or services without the benefit of competitive purchasing, either informal or formal. The General Manager shall report to the Board at the next regular board meeting stating the justification for the emergency work.

5.3 Purchase requests to replenish the District's warehouse inventory within established inventory re-order levels require no prior authorization or signatory approval under Table 1.

VI. INFORMAL AND FORMAL BIDDING PROCEDURES

6.1 Public projects are defined under this policy as construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any District owned, leased, or operated facility.

A competitive selection process for procurement of services and materials, and for Public Works projects, is required in accordance with the limits as set forth in Table 2 below (subject to certain exceptions,

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qualifications or limitations as further set forth below).

Table 2

Informal and Formal Thresholds	
Threshold	Method
\$60,000 or ≤	To be performed by District employees by force account, negotiated contract, or purchase order
\$60,000 - \$150,000	Informal Bid
≥ \$150,000	Formal Bid

6.2 General Provisions for Informal and Formal Bidding Procedures. The following provisions shall apply in contracting for public projects under both informal and formal bidding procedures:

- a. Material changes to the bid: If a material change to the bid specification is issued by the District later than seventy two (72) hours prior to the opening for bids, the date and time shall be extended by no less than seventy-two (72) hours. The term “material change” means a change with a substantial cost impact on the total bid as determined by the District.
- b. Base Contract: Bid specifications which include one or more alternative bid schedules, shall identify and define the base bid for the purpose of awarding to the lowest responsive and responsible bidder.
- c. Bid opening procedures: Sealed bids shall be submitted to the Authorized Purchasing Agent or designee and shall be identified as bids on envelope. Such bids shall be opened in public at the time and place stated in the notice inviting bids in the presence of all bidders who attend. A tabulation of all bids received shall be open for public inspection during regular business hours until award of the contract.
- d. Records of bid documents: Bid documents received by the District shall be maintained by the District in accordance with the District’s records retention schedule.
- e. Award of contracts: Contracts shall be awarded by the District to the responsive and responsible bidder that submits the lowest bid.
- f. No bids received: In the event no bids are received, the District shall have the option of any of the following:
 - i. Abandoning the purchase or project;
 - ii. Rebidding the purchase or project; or
 - iii. Perform the work by employees of the District.
- g. Tie Bids: If two (2) or more bids are received from responsive and responsible bidders for the same total amount of unit price, and are the lowest, the District may accept the bid it chooses.
- h. Written Contracts: Written contracts in the form approved by the Districts Legal Counsel shall be used in the award of bids.

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- i. Bonds: Bidders for construction contracts shall give a payment bond and a bond for the faithful performance of the construction contract that are each in an amount that is equal to 100% of the contract price.

6.3 Informal Bidding Procedures. Bids may be authorized by both District Managers and the award of contracts for public projects with an estimated value in the amount of One Hundred Fifty Thousand Dollars (\$150,000) or less in accordance with the requirements of the Public Contract Code section 22032, and the following informal bidding procedures.

- a. Budgetary authorization: Unless required by an emergency or as otherwise approved by the Board the bid items shall have been authorized as part of an approved budget of the District, and the purchase or contract shall not exceed the amount authorized without Board approval.
- b. Contractors List: A list of contractors shall be developed and maintained in accordance with the provisions of section 22034 of the Public Contract code and criteria promulgated from time to time by the California Cost Accounting Commission.
- c. Notices Inviting Bids: Notices inviting bids shall be prepared describing the bid items in general terms referencing how to obtain more detailed information about the bid items; and starting the time, date, and place for submission of sealed bids.
- d. Mailing of Notices: Notices inviting informal bids shall be mailed, faxed, or emailed at least ten (10) calendar days before the due date of the submission of bids as follows:
 - i. Mailed, faxed, or emailed to all firms on the bidders list or contractors list for the category of work being bid;
 - ii. For bid items defined as public projects, mailed, faxed, or emailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission; and
 - iii. Other mailings, advertisements, and notifications as deemed appropriate by both District Managers.
 - iv. Bids received more than One Hundred Fifty Thousand (\$150,000), the Board may award the contract to the lowest responsive and responsible bidder by adoption of a resolution by a four-fifths vote if the cost estimate was reasonable and the low bid does not exceed One Hundred Sixty Two Thousand and Five Hundred Dollars (\$162,500).

6.4 Formal Bidding Procedures. The solicitation of bids and award of contracts for public projects with an estimated value in excess of One Hundred Fifty Thousand Dollars (\$150,000) shall be made in accordance with the requirements of the Public Contract Code section 22030 et seq., and the following formal bid procedures:

- a. Plans and specifications: The Board shall adopt any plans, specifications, and working details as appropriate for the bid items prior to solicitation for formal bids
- b. Notices: Notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.
- c. Sending, mailing, and publishing of notices: Notices inviting formal bids shall be published, sent, and mailed as follows:
 - i. For bid items defined as public projects, sent electronically, by either facsimile or electronic mail and mailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission at least fifteen (15) calendar days before the date of the bid opening.

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- ii. Sent electronically, by facsimile or electronic mail, or mailed to all firms on the bidders list at least fifteen (15) calendar days before the date of the bid opening;
- iii. Published at least once in a newspaper of general circulation, printed, and published in the District, at least fourteen (14) calendar days before the date of the bid opening, or in a manner as authorized by Public Contract Code section 22037 if there is no newspaper of general circulation; and
- iv. Other mailings, advertisements, and notifications deemed appropriate.

6.5 Contracts for Professional and Consulting Services (Architectural, Landscape Architectural, Professional Engineering, Environmental, Land Surveying, and Construction Management Services) Contracts for consultant/professional services shall be made pursuant to the provisions of this policy.

- a. Procurements for architectural, landscape architectural, professional engineering, environmental, land surveying, and construction management services contracts shall comply with this section.
- b. Selection. Contracts for architectural, landscape architectural, engineering, environmental, land surveying, and construction management services are subject to the provisions of this article and shall be awarded in accordance with the California Government Code sections 4525 et seq and 4529.10 et seq et seq. A fair and competitive process will be designed to select the most competent and qualified firm to provide the desired services at a reasonable price. Selection will not be solely based on price; however, price may be a factor in selecting a firm. If price will be a factor, it will be discussed in the RFP, along with the method used to consider price.
- c. Maximum Participation of Small Business Firms.
 - i. Definition of Small Business. "Small business," as used in this section, shall have the same definition in Government Code section 14837(d)(1).
 - ii. Quotes. The District shall attempt to obtain at least two (2) quotes or proposals from a small business, where this article requires quotes or RFPs.
- d. Prohibition of Unlawful Activity. The District specifically prohibits practices which might result in unlawful activity, including but not limited to rebates, kickbacks, or other unlawful consideration. The District also prohibits its employees from participating in the selection process when those employees have a financial interest with an individual or business entity seeking a contract under this Section and would be subject to the prohibition of Government Code sections 1090 and 87100.
- e. Procurement of Professional and Consultant Services: \$45,000.00 or Less.
 - i. Informal Request for Proposal Procedure. Except as set forth herein, the procurement of consultant or professional services with a value of Forty Five Thousand Dollars (\$45,000.00) or less shall be made following the procedure prescribed below:
 - 1. Solicitation of Proposals. A District Manager may solicit proposals by written (including e-mail) request to prospective consultants. Informal requests for proposals shall attempt, whenever feasible, to obtain at least three (3) proposals.
 - 2. Award of Contracts. Approval by both District Managers shall award contracts pursuant to this subdivision to the best qualified and most responsible proposer, which may not necessarily be the lowest priced proposal. The dollar amount of the proposal shall be considered but the award need not be made to the lowest dollar proposal.

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3. Signature Authority. The Administration Manager shall have the authority to execute a contract granted pursuant to this section. Such contracts shall be formal written agreements executed by the Administration Manager on behalf of the District.
- ii. Exceptions. The District Managers may dispense with the informal RFP procedure, whether the informal RFP procedure has been initiated or not, for the reasons set forth below:
1. In an emergency;
 2. When the services can be obtained from only one (1) source which has been reviewed and approved in writing by the District Managers;
 3. When, in the judgment of the District Managers, compliance with the procedure is not in the best interest of the District; or
 4. When processed through a cooperative purchasing agreement with another public agency, whose procurement process is substantially consistent with the provisions of this article