

RESOLUTION NO. 12-09-912

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
WEST BASIN MUNICIPAL WATER DISTRICT
AMENDING RESOLUTION NO. 06-07-859
(THE ADMINISTRATIVE CODE)
AS IT RELATES TO PROCUREMENT POLICY**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF WEST BASIN MUNICIPAL
WATER DISTRICT** as follows:

1. Purpose.

This Resolution amends Resolution No. 06-07-859 (Administrative Code) as it relates to the procurement policy of the District.

2. Amendment.

Section 5-1.101 of Resolution No. 06-07-859 is amended and reenacted to read as follows:

"5-1.101 POLICY DEFINITIONS

The following terms shall apply to this policy:

- A. Amendment and Change Order – modification of the terms of an existing contract.
- B. Consultant – an individual, firm, or entity that provides Professional Services.
- C. Contract – a written agreement for goods or services (Professional or Non-Professional), and includes both formal contracts and purchase orders.
- D. Cooperative Purchase – any procurement conducted on behalf of two or more public agencies in order to obtain the benefit of volume purchasing or reduction in administrative expenses.
- E. Formal Solicitation – the issuance of a written request for bids, proposals, or quotations.

- F. Goods – supplies, materials, equipment, consumer products, and any other tangible personal property not considered to be a Professional or Non-Professional service.
- G. Informal Solicitation – an oral or written request for a bid, proposal, or quotation in accordance with oral or written conditions and other requirements included in the request.
- H. Local Business Enterprise – to be considered as a local business enterprise, a firm must provide evidence the firm is located at a fixed commercial or residential address where administrative, clerical, professional or other productive work is performed relative to its commercial purpose. The firm must be located within the District's service area for a minimum of one year.
- I. Non-Professional Services – services provided by an independent contractor other than Professional Services, including, but not limited to, repair and maintenance services.
- J. Professional Services – any specifically trained or experienced person, firm or corporation 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. Non-Professional technical and maintenance services (such as janitorial services, landscape maintenance, etc.,) differ from professional services as such services involve limited discretionary judgment and are primarily manual in nature.
- K. Purchase Order – an authorization under which the party designated as Supplier is to provide Goods and/or services for which the District agrees to pay.
- L. Request for Proposal – a written request for the submission of a proposal in accordance with specifications, conditions, and other requirements included in the request.

M. Critical Repairs – repairs performed on District facilities ~~that~~ are unplanned, unexpected, and which are essential to the continued operation of the District Facilities, but ~~do not rise to the level of “Emergency” as defined in Section 5-1.108.~~ Such repairs may include acquisition and installation of replacement parts

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N. Critical Acquisition – acquisition of supplies, goods and equipment that is unplanned, unexpected, and which ~~is~~ essential to the continued operation of District facilities, but ~~do not rise to the level of “Emergency” as defined in section 5-1.108.”~~

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3. Amendment.

Section 5-1.103 of Resolution No. 06-07-859 is amended and reenacted to read as follows:

“5-1.103 PURCHASING OF SUPPLIES, GOODS AND EQUIPMENT

The District shall purchase supplies, goods, and equipment through a competitive bid process to maintain a consistent and satisfactory supply for the District’s use. Purchases shall be made at the lowest possible cost commensurate with acceptable quality. 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. Opportunities to participate in cooperative purchasing shall be pursued whenever feasible and in the best interests of the District.

For the purposes of evaluation of competitive bids, the bids of local business enterprises will be reduced by 3%. If, after this adjustment, the local business enterprise is determined to be the most competitive bid, the actual contract amount will be the amount originally bid by the local business enterprise.

The procurement of supplies, goods, equipment and personal property over ~~\$500~~ requires a purchase order. Authorized staff may purchase supplies, goods, equipment or other personal property as outlined below:

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Single Items up to ~~\$5,000.00~~ Requires at least one price quote and purchase order with Department Manager approval.

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Single Items over \$5,000 to \$25,000

Requires informal solicitation with at least three competitive price quotes and purchase order approved by Department Manager and General Manager.

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Single Items over \$25,000

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

Competitive bids shall be obtained in writing or by electronic format through an individual quote or from the product catalog and shall be filed with the authorized purchase order. The District shall maintain a purchase order log to track all purchase orders. Splitting or separating of supplies, goods or equipment to avoid required bidding process is prohibited.

Purchases exempt from the competitive bid process include: supplies, goods, equipment or other personal property unique in nature; a sole brand when a given brand or product specifically meets the form, fit, and function of the required procurement; or when it is necessary to standardize certain parts, designs, or features. Whenever possible, staff will work with the vendor to obtain the best pricing and/or terms.

Leasing of any equipment or other personal property at a cost of \$25,000 or more requires an RFP and Board approval prior to the execution of a lease agreement by the General Manager and District Counsel."

4. Amendment.

Section 5-1.104 of Resolution No. 06-07-859 is amended and reenacted to read as follows:

"5-1.104 PROFESSIONAL SERVICES

The District may enter into professional services arrangements as authorized below:

Services up to \$5,000

Requires single price quote, and purchase order approved by Department Manager,

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Services over \$5,000 - \$25,000	Requires informal solicitation with at least three competitive proposals/quotes and PSA executed by General Manager and District Counsel.
Services over \$25,000	Requires formal solicitation process and Board approval prior to execution of PSA by General Manager and District Counsel.
Amendments/Change Orders	Over contract authorization require Board approval.

All proposals for professional services over \$25,000.00 value will be evaluated on a 100-point scale. A value of three additional points will be added to the evaluation scores of Local Business Enterprises who bid, as prime contractors, on professional services contracts. If a non-local prime contractor includes a Local Business Enterprise as a subcontractor in its bid, a value of up to three points may be added to the evaluation score of the non-local prime contractor. Points will be awarded based on the relationship the percentage dollar amount of the contract that will be performed by the Local Business Enterprise bears to the three preference points. For example, if a contract is worth \$100,000.00, and the non-local prime contractor uses a local subcontractor who will perform \$25,000.00 worth of work, the bid will enjoy a preference of .75 points (.25 x 3 points).

In the event the proposed services will be evaluated on a price basis only, the bids of Local Business Enterprises will be reduced by up to 3% based on the percentage Local Business Enterprise participation consistent with the policy described in the paragraph above. If, after this adjustment, the Local Business Enterprise is determined to be the most competitive bid, the actual contract amount will be the amount originally bid by the Local Business Enterprise."

5. Amendment.

Section 5-1.105 of Resolution No. 06-07-859 is amended and reenacted to read as follows:

"5-1.105 NON-PROFESSIONAL SERVICES

Non-Professional services shall mean services other than Professional Services and includes, but is not limited to, technical services, catering/food services, repair, and maintenance services.

The District may enter into non-professional services arrangements as authorized below:

Services up to \$5,000	Requires single price quote and purchase order approved by Department Manager.
Services over \$5,000 to \$25,000	Requires informal solicitation with at least three proposals/quotes and a Services Agreement executed by General Manager and District Counsel.
Services over \$25,000	Requires formal solicitation process and Board approval prior to execution of Services Agreement by General Manager and District Counsel.
Amendments/Change Orders	Over contract authorization require Board approval.

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All proposals for non-professional services over \$25,000.00 value will be evaluated on a 100-point scale. A value of three additional points will be added to the evaluation scores of Local Business Enterprises who bid, as prime contractors, on non-professional services contracts. If a non-local prime contractor includes a Local Business Enterprise as a subcontractor in its bid, a value of up to three points may be added to the evaluation score of the non-local prime contractor. Points will be awarded based on the relationship the percentage dollar amount of the contract that will be performed by the Local Business Enterprise bears to the three preference points. For example, if a contract is worth \$100,000.00, and the non-local prime contractor uses a local subcontractor who will perform \$25,000.00 worth of work, the bid will enjoy a preference of .75 points (.25 x 3 points).

In the event the proposed services will be evaluated on a price basis only, the bids of Local Business Enterprises will be reduced by up to 3% based on the percentage Local Business Enterprise participation consistent with the policy described in the paragraph above.

If, after this adjustment, the Local Business Enterprise is determined to be the most competitive bid, the actual contract amount will be the amount originally bid by the Local Business Enterprise."

6. Amendment.

A new Section 5-1.109 of Resolution No. 06-07-859 is added to read as follows:

5-1.109 CRITICAL REPAIRS AND ACQUISITIONS

Expenditures for critical repairs and critical acquisitions shall be subject to the informal solicitation process as defined in section 5-1.102 paragraph A; and shall not exceed \$100,000 per each critical repair or critical acquisition.

Any expenditures for these types of repairs will be brought to the Board of Directors at the next regularly scheduled Board meeting for ratification."

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7. Amendment.

Former Section 5-1.109 of Resolution No. 06-07-859 is amended and reenacted to read as follows:

5-1.110 EXCEPTIONS TO COMPETITIVE BID REQUIREMENTS

Purchases that do not require competitive bids under this policy include books, periodicals, advertising, seminars, conferences, travel, subscriptions, temporary employment agencies, postage, utilities, bank charges, memberships, claims, travel reimbursements, fees or permits, and health or other benefit related reimbursement services."

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8. Amendment.

Section 5-1.111 is added to Resolution No. 06-07-859 to read as follows:

5-1.111. CONTRACT TIME EXTENSIONS.

The General Manager may extend the term of a District agreement so long as the contract has not expired and there are no other material changes to the agreement, such as scope of work, consideration, method of payment, insurance, and indemnity requirements. This provision applies to time extensions only."

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