

# PURCHASING POLICY

Monterey Peninsula Water Management District

April 2024



**Purchasing Policy**  
Monterey Peninsula Water Management District

**Contents**

**CHAPTER 1. GENERAL INFORMATION..... 2**

    1.1. INTRODUCTION..... 2

    1.2. ETHICS AND ACCOUNTABILITY ..... 2

**CHAPTER 2. PURCHASING METHODS ..... 4**

    2.1 PETTY CASH..... 4

    2.2 CREDIT CARDS ..... 4

    2.3 PURCHASE REQUISITIONS ..... 7

    2.4 PURCHASING LIMITS ..... 7

    2.5 CONTRACTS FOR GOODS AND SERVICES ..... 7

    2.6 TYPES OF CONTRACTS..... 8

    2.7 CHANGE ORDERS, TASK ORDERS, AND CONTRACT AMENDMENTS ..... 11

    2.8 URGENT AND EMERGENCY PURCHASES ..... 11

**CHAPTER 3. INFORMAL COMPETITIVE PRICING – GOODS AND GENERAL SERVICES, NON-PUBLIC WORKS PROJECTS ..... 12**

    3.1 COMPETITIVE QUOTES ..... 12

**CHAPTER 4. FORMAL COMPETITIVE PRICING – GOODS AND GENERAL SERVICES, NON-PUBLIC WORKS PROJECTS ..... 13**

    4.1 REQUESTS FOR PROPOSALS (RFP) AND QUALIFICATIONS (RFQ) ..... 13

    4.2 INVITATION FOR BID (IFB)..... 13

**CHAPTER 5. EXEMPTIONS FROM COMPETITIVE PRICING - GOODS AND GENERAL SERVICES, NON-PUBLIC PROJECTS ..... 13**

**CHAPTER 6. PURCHASE SPECIFICATIONS ..... 15**

**CHAPTER 7. DISPOSAL OF SURPLUS PROPERTY..... 15**

**CHAPTER 8. RISK MANAGEMENT..... 16**

    APPENDIX – DEFINITION OF TERMS..... 16

**Purchasing Policy**  
Monterey Peninsula Water Management District

## CHAPTER 1. GENERAL INFORMATION

### 1.1. INTRODUCTION

Controlling regulations for the Purchasing function are set forth in the District's enabling legislation, California Government Codes Section 54202, the State of California Special District Uniform Accounting and Reporting Procedures, and the California Water Code. In the event of any conflict between the Purchasing Policies and any enabling legislation of the District, the enabling legislation shall take precedence.

- 1.1.1. Purpose: The purpose of this manual is to define the practices and policies governing the procurement of supplies, materials, equipment, and services, including construction and capital improvements to carry out the mission of the District. The goal of this policy is to ensure that all equipment, supplies, and services required for the operation of the District are available in a timely manner, are procured at the lowest possible cost and/or best value, and that the purchasing system supports and compliments maintenance of accurate property records, internal control, and financial record keeping.
- 1.1.2. Scope: This policy and attendant procedures apply to locating a source, ordering, transportation, receipt, payment, and record-keeping for all equipment, supplies, and services resulting in the expenditure of District funds.
- 1.1.3. Responsibilities: The General Manager has overall responsibility for ensuring that the provisions of this policy are followed. Authority for day-to-day operation of the purchasing system is delegated to the CFO/Administrative Services Manager who, in turn, may further delegate specific limited purchasing authority and other administrative activities. The CFO/Administrative Services Manager is responsible for proposing policy revisions and training regarding purchasing procedures.
- 1.1.4. Construction Projects: The District has adopted the California Uniform Public Construction Cost Accounting Act (hereinafter "CUPCCAA") and its contracting policies for projects consisting of 1) new construction, maintenance, alterations, or repairs, and 2) the purchasing of materials, supplies, and equipment related to new construction, alterations, maintenance or repairs.

### 1.2. ETHICS AND ACCOUNTABILITY

The General Manager (and his/her designee) serves as the Purchasing Agent and is charged with the responsibility and authority for coordinating and controlling the District's purchasing function in

**Purchasing Policy**  
Monterey Peninsula Water Management District

accordance with Purchasing Policies.

- 1.2.1. Each Division/Department is responsible for facilitating prudent, efficient, and cost-effective purchases. Division/Department Managers are responsible for ensuring that staff members in their divisions adhere to the policies and procedures herein established. They have a supervisory responsibility to ensure purchases are made within budget constraints. Managers are responsible for training members of their divisions on correct purchasing procedures. All employees requesting the purchase of supplies, equipment, or services are expected to be familiar with this policy and follow the procedures established.
- 1.2.2. All purchases shall be limited to the approved Division budget or as otherwise authorized by Board, General Manager, or Division Managers. Purchasing dollar limits specified in the Purchasing Policies are “per order” unless otherwise indicated.
- 1.2.3. Applicable competitive bidding categories, authorization limits, or contract award procedures will be based on unit cost, total purchase cost for consolidated bid items, or fiscal year aggregates in the case of standing purchase orders or similar ongoing purchasing arrangements. Departments/Divisions shall:
  - 1.2.3.1 Anticipate requirements sufficiently in advance to allow adequate time to obtain goods in accordance with best purchasing practices.
  - 1.2.3.2 Maximize coordination of purchases to take advantage of cost savings for bulk purchases of commonly used goods and services.
  - 1.2.3.3 Identify the account from which purchases will be made and provide evidence that the purchase is budgeted.
  - 1.2.3.4 Provide a business justification for each purchase.
  - 1.2.3.5 Provide appropriate documentation that goods or services have been received, including properly signed-off packing/receiving slips and confirmation that items have been received in good condition.
  - 1.2.3.6 Minimize urgent and sole source purchases and provide written findings and/or documentation when such purchases may be necessary.
  - 1.2.3.7 Prohibit splitting orders or projects for the purpose of avoiding procurement requirements or authorization limits.
  - 1.2.3.8 Invoices related to contracts or purchases authorized by the Board, General Manager, or Division Managers can be approved for payment by the Division Managers or their designee.

**Purchasing Policy**  
Monterey Peninsula Water Management District

1.2.4. All personnel engaged in the purchasing function shall exercise good judgment in the use and stewardship of District resources, and all Purchasing functions shall be conducted with absolute integrity and objectivity. Purchases are subject to public scrutiny; employees shall follow a strict rule of personal conduct that will not compromise the District in the conduct of its business.

## CHAPTER 2. PURCHASING METHODS

### 2.1 PETTY CASH

Departments may request petty cash for use in purchasing small or immediately needed items, for expenditures that would be impractical to process through the Purchase Order system. Petty cash “banks” may be established and maintained for this purpose as authorized by the General Manager or CFO/Administrative Services Manager.

- 2.1.1 Division Managers or designee shall be responsible for assuring compliance with the petty cash policy and procedures and for the security of petty cash in their Division.
- 2.1.2 Division staff may make small or urgent purchases in amounts not to exceed \$150 per request. Multiple petty cash slips shall not be used to “split” orders to circumvent this limit.
- 2.1.3 Petty cash slips shall include account numbers and business justification for the purchase and be signed by appropriate supervisory staff.
- 2.1.4 Petty cash may not be “loaned” to any individual for any reason.

The petty cash “bank” will be replenished based on submittal of signed petty cash slips and receipts to the Office Specialist for expenditures made. The Administrative Services Department shall periodically audit Department’s petty cash “bank”.

### 2.2 CREDIT CARDS

Under certain circumstances, use of a District credit card may be the most appropriate method for purchases.

Designated employees shall receive a District-issued credit card with their name and Monterey Peninsula Water Management District embossed on the card. All cards will be kept in a safe place and released for use only under the authority of the designated employee. A designated employee may authorize use

**Purchasing Policy**  
Monterey Peninsula Water Management District

of the card by another staff member under certain limited circumstances.

- 2.2.1 District credit cards will be distributed on an as-needed basis to staff at the discretion of the General Manager. Delegated spending authority will be consistent with spending limits as indicated in Chapter 2.4.
- 2.2.2 District credit cards shall be utilized for purchase of supplies and materials and shall not be used to contract for purchase of services, including professional services.
- 2.2.3 All purchases by credit card shall be shipped or delivered to a District address.
- 2.2.4 All credit card purchases must be documented in the same fashion as regular purchases including business justifications for the purchases, properly signed-off packing/receiving slips, and confirmation that goods have been received in good condition.
- 2.2.5 If sales tax has not been paid at the time of purchase, this must be noted so that the Administrative Services Division can ensure that sales/use tax is paid to the State.
- 2.2.6 Restricted uses: District credit cards shall not be used for the following types of purchases:
  - 2.2.6.1 Cash advances
  - 2.2.6.2 Routine gasoline purchases for District vehicles
  - 2.2.6.3 Items available from routine purchase orders
  - 2.2.6.4 Machinery that requires a maintenance agreement
  - 2.2.6.5 Personal items or to purchase alcohol
  - 2.2.6.6 Prize money or payables that may require the issuance of a 1099

District credit cards may be used for the purchase of supplies and equipment and where use of the credit card is the most efficient method of payment. (e.g., ordering publications, online subscriptions, or paying for something that is needed immediately).

- 2.2.7 Telephone or Internet Order: If an employee opts to use the District credit card to place a telephone or internet order, the employee must obtain a detailed confirmation of the order from the vendor. Upon receipt of the order, the packing slip shall be attached to the back of the order confirmation if applicable, and then forwarded to the Accounting Specialist for reconciliation with the monthly statement or invoice. When using the District credit card for airline travel over the Internet, an official receipt or itinerary showing exact costs shall be obtained.

- 2.2.8 Travel: The District credit card may be used for seminar/training expenses such as

**Purchasing Policy**  
Monterey Peninsula Water Management District

registration fees, airline reservations, hotel, rental car, and meals. Original itemized receipts must be retained for following the statement procedures. When a District credit card is used, the receipt shall be submitted along with any invoice in the District's Document Management System<sup>1</sup> with the Credit Card company<sup>2</sup> as the vendor. If an employee has used a personal credit card or cash for an approved purchase, copies of receipts shall be attached to an Expense Claim form and forwarded to the Accounting Specialist with appropriate budget account numbers.

2.2.9 Gasoline Cards: Gasoline credit cards are located in each vehicle. They are for use by staff to make routine purchases of gas, oil, lubricants, and other supplies and services for maintenance of District vehicles only when traveling for fieldwork. They are not to be used for food or purchase of non-automotive products. Receipts should be turned to the Accounting Specialist.

2.2.10 District-related entertainment: The District credit card may be used to pay for meals and/or other appropriate events when entertaining guests on behalf of the District, such as:

2.2.9.1 Advisory board, commission members, or other District officials

2.2.9.2 Oral Interview Board Panelists

2.2.9.3 Such expenses as reasonably borne by the District for entertaining guests at meetings, conferences, or other related District business.

The cardholder copy of receipts shall be provided to the Accounting Specialist with the appropriate budget account numbers, including the affiliation of guest(s) entertained, the names of the individuals in attendance, as well as the specific nature of the District business.

Statement processing: Cardholding employees shall submit original receipts with appropriate account numbers attached to their statement copy and forward them to the Accounting Specialist. Receipts provided for credit card purchases must include a detailed itemization of the items purchased and amounts added for shipping, gratuities, etc. The Accounting Specialist shall be responsible for collecting receipts for credit card transactions from cardholders, verifying them against the statements, and processing payment as soon as possible to avoid finance charges.

---

<sup>1</sup> DocuWare as of 4/2024

<sup>2</sup> U.S. Bank as of 4/2024

**Purchasing Policy**  
Monterey Peninsula Water Management District

Disputes: If items purchased with a District credit card are found defective, incorrect, or no longer needed, the cardholder has the responsibility of returning the item(s) to the merchant. If the merchant refuses to replace or correct a defective item, exchange a wrong item, or give a refund for an unneeded item, then this purchase is considered to be in dispute and will not be paid until resolved.

**2.3 PURCHASE REQUISITIONS**

Departments shall submit requests for goods and equipment by standard Requisition through the financial system. Signature authority for Requisitions shall be the same as that for Purchase Orders. Departments shall submit completed Requisitions for purchases above \$500, excluding exempt purchases as detailed in Chapter 5.

**2.4 PURCHASING LIMITS**

Authorized approvers of Requisitions and Contracts shall be generally limited as indicated in the table below:

\$1 to \$500	Staff as delegated by Division Manager
\$1 to \$10,000	Managers/District Engineer or Designee
\$1 to \$25,000	General Manager or Designee
Above \$25,000	Board Approval

Once a Purchase order or contract has been approved, District Managers/District Engineer are authorized to sign on contracts as long as they meet District contract requirements including, but not limited to insurance, indemnification, licensing, and any requirements imposed by regulation or grants.

**2.5 CONTRACTS FOR GOODS AND SERVICES**

- 2.5.1 District contracts shall be consistent with State and Federal laws and shall be fully executed prior to the performance of any contract work. Each contract shall be approved as to form by the District Counsel unless such contract is developed consistent with a template pre-approved as to form by the District Counsel (in which case the individual contract need not receive separate attorney approval).
- 2.5.2 Multi-year agreements are encouraged for ongoing general services and consultant/professional services with a defined scope of work such as, but not limited to,



**Purchasing Policy**  
Monterey Peninsula Water Management District

janitorial and landscape maintenance, attorneys, consultants, and printer leases. The annual value of multi-year contracts and single-year contracts with options to renew shall be considered in obtaining the appropriate signature authority. Any renewal periods for such contracts shall require a contract amendment, including proper signatures, executed prior to performance of the additional work or provision of the additional goods.

- 2.5.3 The General Manager or designee may approve alternative selection, evaluation, and award procedures for a specific contract or class of contracts (except as provided herein), if available information demonstrates that a substantial cost savings, enhancement in quality or performance, or other public benefit will result from use of the alternative contracting method. The alternative contracting method shall meet the purpose and goals of the Purchasing Policies and shall substantially promote the public interest in a manner that could not be achieved by complying with the competitive procurement methods otherwise available under the Purchasing Policies.
- 2.5.4 In the event of emergency or urgent circumstances, the General Manager or designee has the authority to authorize contracts and follow up with the Board at the earliest opportunity. Except in an emergency or urgent circumstance, as approved by the General Manager, no work shall commence until all required contract documentation (e.g., insurance certificates and endorsements, licenses, permits) has been provided to the District.

## 2.6 TYPES OF CONTRACTS

### 2.6.1 Standing Supply Agreements:

Division Managers or designees may negotiate Standing Supply Agreements with vendors for purchase of repetitive-use, non-capital equipment, and supplies.

### 2.6.2 Master Service Agreements:

Division Managers or designees may establish Master Service Agreements with specific vendors to provide services over time. A Contract/Task Order including a written outline of the scope of work and payment terms is required for services made through Master Service Agreements; a new contract for each purchase is unnecessary. Contract dollar limits and signature authority are applicable, and requirements such as insurance and indemnification may vary depending on the type of service required. Funds shall be encumbered in an adequate amount to complete the task or order; unused funds will be unencumbered

**Purchasing Policy**  
Monterey Peninsula Water Management District

following completion of the purchase.

**2.6.3 Cooperative Purchase Agreements:**

The District has the authority to join with other public jurisdictions in Cooperative Purchasing Agreements, buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this document, even if the District has not joined with that public agency in a formal agreement, and purchase from the United States of America, any State, Municipality or other public corporation/agency or a public cooperative purchasing program, without following formal purchasing procedures. A Purchase Order or Contract is required for purchases made through Cooperative Purchase Agreements, subject to approvals and dollar limitations as per this Policy.

**2.6.4 Consultant and Professional Services Agreements:**

Contracts may be awarded through a competitive or negotiated process, generally based on the solicitation of qualifications and proposals of at least three providers (which may be waived at the discretion of the General Manager based on State law<sup>3</sup>, and for sole source, urgent and emergency purchases, or as otherwise provided in the Purchasing Policy). Such procedures shall have the express purpose of obtaining contractual services of the highest quality together with the most cost-effective pricing. Proposals and/or Qualifications solicited for Professional Services may be evaluated based on criteria other than pricing, as defined in the solicitations (such as demonstrated competence and professional qualifications), and the District may then negotiate with the most responsive and responsible vendor.

**2.6.5 Grant Funded Projects:**

For grant-funded projects, the District shall follow any procurement requirements imposed under the grant agreement or required for the use of grant funding.

**2.6.6 Contracts for Non-Public Works Projects, Goods, and General Services**

Contracts may be established for non-public works projects and purchases of goods and general (i.e., non-consultant) services, utilizing informal or formal processes for submission

---

<sup>3</sup> Exceptions to competitive solicitation may be allowed where the nature of the subject of the contract is such that competitive proposals would be unavailing or would not produce an advantage, and the advertisement for a competitive bid would thus be undesirable, impractical, or impossible (*Graydon v Pasadena Redev. Agency* (1980) 104 Cal.App.3d 631, 635).

## **Purchasing Policy**

Monterey Peninsula Water Management District

of proposals or bids generally in accordance with the criteria below, unless a purchase is deemed as a sole source, single source, recurring software as a service that the District has been using or a purchase exempt under Chapter 5 of this Policy.

\$1 to \$10,000	Informal solicitation recommended
\$10,000 to \$25,000	Informal solicitation required; formal solicitation recommended
\$25,000 & above	Formal solicitation required

The above thresholds will apply except for negotiated Professional Services Contracts, sole source, and urgent/emergency purchases.

### 2.6.7 Contracts for Public Projects:

Accounting procedures were established by the California Uniform Public Construction Cost Accounting Commission and are detailed in the Commission's Accounting Policies and Procedures Manual (CUPCCAA). PCC §22000-22050 describes both the informal and formal bidding procedures, project dollar thresholds, bidding and noticing requirements, rejection of bids, the definition and procedure for emergency Public Projects, and other mandates related to CUPCCAA.

Rather than the District's Purchasing Policy, Public Projects are subject to definitions, terms and conditions specified in the California Uniform Public Construction Cost Accounting Act (CUPCCAA), Public Contract Code Section 2200, et seq., as may be amended from time to time. PCC § 22002(c), as may be amended, defines a "Public Project" as:

- a) "Public project" means any of the following:
  - I. Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
  
- b) "Public project" does not include maintenance work. For purposes of this section, "maintenance work" includes all of the following:
  - I. Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
  - II. Minor repainting or repair work.
  - III. Landscape maintenance, including mowing, watering, trimming, pruning, planting,

**Purchasing Policy**  
Monterey Peninsula Water Management District

replacement of plants, and servicing of irrigation and sprinkler systems.

The General Manager or designee is authorized to award Public Project contracts solicited through CUPCCAA informal bidding processes. Contracts exceeding the informal bid limit set forth in Public Contract Code (as it may be revised from time to time), are let in accordance with CUPCCAA formal bidding procedures, and awarded by the Board.

In accordance with Government Code, the District Engineer shall have authority to review and approve the plan or design of any construction work or work of improvement to public property, for contracts for construction subject to approval by the General Manager. For contracts to be awarded by the Board, the District Engineer shall review such plans and designs and shall recommend the approval of such plan or design by the Board as part of award of such contract.

## **2.7 CHANGE ORDERS, TASK ORDERS, AND CONTRACT AMENDMENTS**

A substantial change to a Purchase Order or Contract (i.e., pricing, terms and conditions, specifications and/or scope of work) shall be documented as a Change Order, Task Order, or Contract Amendment.

2.7.1 General Manager and Division Managers/District Engineer may sign Change Orders, Task Orders, and Contract Amendments for purchases and contracts up to the maximum of the limits set forth in this Policy.

2.7.2 Change Orders, Task Orders, and Contract Amendments generally should not exceed 10% of the original contract amount, unless authorized by the applicable signing authority. A new scope of work and/or a new contract may be required when the change exceeds 10% of the original amount, unless a higher amount has been authorized by the applicable signing authority.

2.7.3 A Change Order, Task Order, or Contract Amendment is not required when taxes, shipping and/or handling cause a purchase to exceed the authorized amount; the signatory limit may also be exceeded in that circumstance.

## **2.8 URGENT AND EMERGENCY PURCHASES**

Sound judgment shall be used in keeping urgent, disaster and emergency purchases to an absolute minimum. Specific procedures for managing these purchases shall apply, as determined by the General Manager.

**Purchasing Policy**  
Monterey Peninsula Water Management District

2.8.1 Urgent Purchases:

Immediate purchases of material, supplies, equipment, and/or services may be made when an urgent circumstance exists, and procurement should not be delayed by use of normal competitive and financial procedures. Urgent purchases shall be authorized by the General Manager or designee. Urgent purchases shall be followed, as soon as practical, with submission of a confirming requisition that includes a written justification for the purchase having been made outside normal procedures, and the Board will be notified as soon as practicable for purchases exceeding \$25,000. Lack of planning does not constitute justification for an urgent purchase.

2.8.2 Disaster and Emergency Purchases:

In a disaster or a local designated emergency, the General Manager or designee may authorize deviation from the purchasing practices required by the Purchasing Policy, including, but not limited to, the immediate purchase of material, supplies, equipment, and professional services, including those in excess of his/her Board-approved signature thresholds with the understanding that Board approval be sought as soon as is practical and feasible.

## CHAPTER 3. INFORMAL COMPETITIVE PRICING – GOODS AND GENERAL SERVICES, NON-PUBLIC WORKS PROJECTS

### 3.1 COMPETITIVE QUOTES

A minimum of three competitive quotes shall be solicited for purchases greater than \$10,000 that are not designated as sole source, single source, professional service, Software-as-a Service (SaaS) or any purchase allowed as exempt under Chapter 5. Requests for quotations must be made or distributed, utilizing Request for Quotation forms or alternate forms as may be approved. Written documentation of quotes must be provided.

3.1.1 Competitive quotes are not required for purchases below \$10,000 but shall be solicited prior to completing Purchase Orders if reasonably possible.

3.1.2 The General Manager/Designee may award the purchase to the lowest responsive and responsible party whose quote fulfills the intended purpose, quality, and delivery needs of the solicitation. In lieu of awarding the purchase, the General Manager/Designee may reject the quotes, or may negotiate further to obtain terms more acceptable to the District.

3.1.3 The General Manager/Designee may dispense with quotes in emergency and urgent

**Purchasing Policy**  
Monterey Peninsula Water Management District

circumstances, as outlined under Section 2.8 “Urgent and Emergency Purchases” of the Purchasing Policy.

## **CHAPTER 4. FORMAL COMPETITIVE PRICING – GOODS AND GENERAL SERVICES, NON-PUBLIC WORKS PROJECTS**

When non-construction purchases are anticipated to exceed \$25,000, and/or require Board approval, formal competitive procedures must be completed, except for any purchase allowed as exempt under Chapter 5. These procedures include sealed proposals solicited through a Request for Proposal (RFP) or Qualifications (RFQ) and sealed bidding solicited through an Invitation for Bid (IFB).

### **4.1 REQUESTS FOR PROPOSALS (RFP) AND QUALIFICATIONS (RFQ)**

- 4.1.1 A contract or purchase agreement may be entered into by means of sealed proposals solicited through a Request for Proposal (RFP) or a Request for Qualifications (RFQ). The RFP or RFQ shall state the criteria for evaluation and the relative importance of price and other factors. An RFP typically selects consultant(s) to enter into a contract, while an RFQ typically shortlists a pool of consultants to choose from to enter contracts and shall establish criteria to select consultants from the pool.
- 4.1.2 The Division shall determine the RFP/RFQ procedures, including whether and where public notice of formal proposals shall be made. Sealed proposals shall be submitted to the Purchaser/Contract Specialist by the date and time specified on the prescribed forms.
- 4.1.3 No work shall be performed unless and until a contract has been executed, except under urgent and emergency circumstances as defined in this policy.

### **4.2 INVITATION FOR BID (IFB)**

A contract or purchase may be entered into by means of sealed proposals solicited through an Invitation for Bid (IFB) where price is the determining factor in selecting of a good or general service and the scope of work is well-defined.

## **CHAPTER 5. EXEMPTIONS FROM COMPETITIVE PRICING - GOODS AND GENERAL SERVICES, NON-PUBLIC PROJECTS**

### **5.1 Exempt Purchases:**

## **Purchasing Policy**

### Monterey Peninsula Water Management District

Purchases not readily adaptable to the open market and bidding processes may be eligible for exemption from competitive pricing. These purchases include, but are not limited to purchase of water, utilities, fuel, insurance, rent, postage and shipping, subscriptions, memberships, software licenses and SaaS, advertisements, insurance, bond premiums, travel expenses, tax payments, payments to other government agencies including pension or other post-employment benefit payments, and any goods/services allowable for direct non-competitive purchase under the District legislation. Divisions/Departments may submit written requests to the General Manager or CFO for additional exemptions, which will be approved if appropriate and added to the exemption list.

As an exception to the general bidding rule, the Board can approve contracts with and employ a person to furnish the District with professional or special services or for advice in the following fields: financial, economic, accounting, engineering, legal, or administrative matters if such persons are specially trained and experienced and competent to perform the special services required as per Government Code (Gov. Code § 53060), although solicitations are generally recommended where feasible.

#### 5.2 Sole Source Purchases:

Upon recommendation of the Division Manager, the General Manager/Designee or Board may waive bidding requirements for sole source purchases if he/she determines sufficient justification exists. Sole source purchases may include proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in the region/county, items that perform a complex or unique function, or purchases when a certain product is the only one proven to be acceptable or compatible with existing equipment. Sole source purchases should be kept at a minimum, to encourage competition and more favorable prices. Sole source purchases below \$25,000 shall be approved by the General Manager or designee. Sole Source contracts above \$25,000 shall be approved by the Board with the related staff report justifying the sole source purchase.

#### 5.3 Cooperative Purchases

Cooperative Purchases involving other Public agencies or public cooperative purchasing programs as defined in the Purchasing Policies are exempt from competitive pricing.

**Purchasing Policy**  
Monterey Peninsula Water Management District

## CHAPTER 6. PURCHASE SPECIFICATIONS

- 6.1 Use of brand names in specifications shall be for the purpose of describing the standard of quality, performance, and characteristics the District desires, and not intended to limit or restrict competition. If a brand name is incorporated into a specification, a minimum of two acceptable brands shall be listed whenever possible and shall be followed by the statement “or approved equal” unless the sole source policy applies.
- 6.2 Use of specifications provided by a specific manufacturer should be avoided, however, if used, the name of the manufacturer, model number, etc., should be indicated. The bid document shall clearly state that the use of the manufacturer’s specifications is for the sole purpose of establishing the level of quality desired. The Division Manager/District Engineer will determine and approve any product submitted as an “or equal.”
- 6.3 The Division Manager or designee may limit bidding to a specific product type or a brand name product when purchasing equipment or supplies is required to be compatible with existing equipment or to perform complex or unique functions.
- 6.4 Public Contract Code requirements should be reviewed when brand names and/or manufacturer specifications are being considered for inclusion in a bid solicitation.

## CHAPTER 7. DISPOSAL OF SURPLUS PROPERTY

The General Manager or designee is authorized to exchange, trade-in, sell and dispose of surplus District property (generally above \$5,000 in original or market value and a useful life of more than 5 years) having salvage value in the open market, by public auction, by competitive sealed bids or by exchange or trade-in for new goods. The sale or lease of surplus personal property to a governmental, public, or quasi-public agency may be without advertisement for or receipt of bids. Employees are not eligible to receive or purchase surplus property, however, employees may receive personalized items, and receive or purchase market value items considered to be memorial or commemorative in nature, subject to General Manager approval. Surplus property with no salvage value, as determined by the Division, shall be disposed of in a manner that salvages recyclable components, if practical. Upon approval, surplus property may be donated to governmental, public or quasi-public agencies, charitable or non-profit organizations on a first-come first-served basis to be utilized for non-profit purposes.



**Purchasing Policy**  
Monterey Peninsula Water Management District

## CHAPTER 8. RISK MANAGEMENT

- 8.1 Divisions shall adhere to and follow the insurance requirements and monitor compliance as established by the District's Risk Management Agency in accordance with the type of services to be provided. The Purchaser/Contracts Specialist shall ensure the proper insurance requirements are included in any standard contract for services. Contracts will not be fully executed until all required insurance certificates and endorsements have been received, reviewed, and approved; additional requirements may apply to Public Projects.
- 8.2 Requirements for contract bonds such as Performance Bonds, Labor, Warranty, Material Bonds, and/or Fidelity Bond shall be determined by the Division/Project Manager or District Engineer. Bonds are maintained by the project manager and forwarded to the Purchaser/Contract Specialist upon contract completion. Requirements related to Public Projects may vary from those for non-public projects.

## APPENDIX – DEFINITION OF TERMS

1. AMENDMENT – any change or modification in the terms and conditions of a contract, accomplished by agreement of the parties; similar function to a change order
2. AWARD – a contract or purchase made with a vendor that successfully completes a bidding or competitive proposal process
3. BIDDER'S LIST – list of responsible prospective suppliers and contractors to whom notice of Invitations for Bid on Public Projects may be delivered
4. CHANGE ORDER – document used to detail a substantial change to a Purchase Order or construction contract
5. DISTRICT – Monterey Peninsula Water Management District, California
6. COMPETITIVE QUOTE – verbal or written pricing quotation made by vendor(s) regarding specific purchases; typically three are required prior to purchasing an item or service (also known as Informal Competitive Pricing).
7. CONSULTANT SERVICES – services of an advisory nature that provide a recommended course of action or personal expertise, and that have an end product which is basically a transmittal of information
8. CONTRACT – all types of District agreements, regardless of what they may be called, for the procurement or disposal of goods, supplies, services, professional or consulting services, or

**Purchasing Policy**  
Monterey Peninsula Water Management District

- construction
9. **CONTRACTS FOR GOODS AND VARIOUS SERVICES** – for purchases of goods and services through non-pre-qualified vendors for non-public projects, utilizing informal or formal processes for submission of proposals or bids, based on the requirements for these processes
  10. **CONTRACTOR** – any person, group of persons, business, consultant, designing architect, association, partnership, corporation, supplier, vendor, printer, or other entity not in the employment of the District that has entered into a binding contract with the District, or serves in a subcontracting capacity with an entity having a contract with the District, to provide goods, supplies, services, professional services, construction or disposal of surplus supplies
  11. **EMERGENCY PURCHASE** – purchase or service procured under circumstance of a Federal, State, County, City, or District declared disaster or where a circumstance poses clear, substantial, and imminent danger (e.g., fire, flood, explosion, storm, earthquake, epidemic, riot, civil defense) and immediate action is necessary to prevent or mitigate major loss or significant impairment of life, health, property, or essential public services; procurement should not be delayed by use of normal competitive and financial procedures. Emergency purchases related to Public Projects must meet requirements established by CUPCCA.
  12. **ENCUMBRANCE** – placement of a financial hold on a specified amount of funds designated for a particular purpose, prior to making a purchase or payment on a contract related to that purpose, and preventing the use of those funds for any other purpose
  13. **EXEMPT PURCHASE** – a purchase not readily adaptable to the open market and formal bidding or competitive pricing processes, such as magazine subscriptions and membership dues; also emergency and other purchases as detailed in the Purchasing Policy
  14. **FORMAL SOLICITATION** – solicitations where the competitive process is handled through public notification and/or other formal bidding requirements as stipulated by CUPCCAA or concerning legislation.
  15. **GENERAL SERVICES** – the furnishing of labor, time, or effort by a vendor primarily through the use of manual or technical skills that may or may not produce a tangible commodity; e.g., janitorial work, landscape maintenance, equipment repair and service, rubbish and waste removal, clothing rental and cleaning, and minor repainting (non-public projects)
  16. **JOB ORDER CONTRACT** – a contract competitively bid for a base year and multiple option years for Public Projects of minor construction and renovation, alterations, painting and repair of existing facilities.
  17. **INFORMAL SOLICITATION** - solicitations where the competitive process is handled through

**Purchasing Policy**  
Monterey Peninsula Water Management District

informal quotes received directly from vendors without public notification.

18. **LOWEST RESPONSIBLE, RESPONSIVE BIDDER** – bidder submitting the bid or proposal meeting all requirements of the specifications, terms, and conditions of the Invitation for Bids or Request for Proposal resulting in the lowest cost to the District in a total cost concept or based solely on price, taking into consideration the financial and practical ability of the vendor to perform the contract and past performance of the vendor
19. **PERFORMANCE BOND** – a bond issued to the District as a guarantee against the failure of a contractor to meet obligations specified in the contract
20. **PROFESSIONAL SERVICES** – services provided by an educated, certified, or licensed specialist, or technical expert, that may be subject to procurement restrictions in accordance with State law, and District contract requirements, beyond that of regular (non-professional) consultant services
21. **PURCHASE ORDER** – A document representing a contract between the District and the vendor, utilized for ordering goods and services, and subject to specific signature authorities based on the dollar value of the purchase(s)
22. **REQUEST FOR QUALIFICATIONS (RFQ)** – document providing details regarding a desired purchase (typically a service), and soliciting qualifications from vendors, or process to invite suppliers to provide written or verbal pricing and/or other details regarding products and services of interest to the District; facilitating vendor comparison and purchase under the best available terms
23. **REQUEST FOR PROPOSALS (RFP)** – document providing details regarding a desired purchase, and soliciting pricing proposals and quotations from vendors and/or other details regarding products and services of interest to the District; facilitating vendor comparison and purchase under the best available terms
24. **SOLE SOURCE PURCHASE** – commodities and services that can be obtained from only one vendor, proprietary items sold directly from the manufacturer, items that have only one distributor authorized to sell in this area, or items that perform a complex or unique function; exempt from bidding
25. **SURPLUS PROPERTY** – property above \$5,000 in original or market value and a useful life of more than 5 years which the District no longer has use for, has fully depreciated, or which has exhausted its intended life; also goods in the possession the District that are unclaimed and/or abandoned
26. **TASK ORDER** – issued under Master Agreements to secure services from the consultant as needed; include the specific scope of work required by the District, the compensation due for

## **Purchasing Policy**

### Monterey Peninsula Water Management District

that specific scope of work, and any terms and conditions that may pertain solely to the task; creates a financial obligation for the District

27. URGENT PURCHASE – a purchase made when a sudden, unexpected occurrence, while not an emergency as defined in the Purchasing Policies, necessitates expedited action to prevent or mitigate loss, protect property or public health and safety, and ensure essential public services