

Lake Shastina Community Services District Policies

Approved:
12/16/15
Res. 13-15 – Exhibit A

POLICY TITLE: Purchasing and Contract Procedure Policy
POLICY NUMBER: 3150

3150.10 The purpose of this policy is to establish guidelines for employees who have responsibilities that include purchasing of materials and/or supplies and contracting for outside agencies in direct support of Lake Shastina services. In accordance with accepted accounting principles, the District desires to utilize Purchase Orders as a management tool to control and track material and supply purchases for itself and all agencies under contract to provide services. The Purchase Order is to be used as the initial step in the decision making process even when a contract for material and/or services is required. The District recognizes the need to allow the General Manager as much flexibility, within the realm of good business practices and approved budget, in carrying out his responsibility. The following guidelines are hereby established:

AMOUNT	P.O. Req.d	COMMENTS
Less than \$50	No	Valid receipt
\$50 or greater but less than \$250	No	No Purchase Order required. Purchase can be made by CSD personnel using creditors who have or are willing to establish an open account for CSD. Authorization is granted to make purchase prior to obtaining formal permission from General Manager, as long as purchase is within budget and scope of responsibility.
\$250 or greater but less than \$500	Yes	Purchase Order approved by General Manager or Department Head required prior to purchase.
\$500 or greater but less than \$2,500	Yes	Purchase Order required. Quotes from 3 or more vendors are required prior to selection of lowest responsible vendor by Dept. Head or General Manager. Oral quotes may be obtained and, if there is only one source within Siskiyou County, the Purchase Order will so state.
\$2,500 or greater but less than \$25,000	Yes	An approved Purchase Order is required prior to making the purchase. Quotes from three or more vendors (if possible) are required prior to selection of lowest responsible vendor by the General Manager and final approval by the Board of Directors unless the Board has previously authorized purchases and has granted the General Manager discretion not covered herein.

\$25,000 or greater	Yes	Require bid solicited by public notice. In the event no proposals are received or where the work consists of emergency work necessary to protect life and property, the General Manager may proceed and obtain approval after the emergency. For items over \$25,000 or large quantity orders, the District will provide suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation to the Board of Directors for award of contract. Items on the list will be purchased from the supplier quoting the lowest prices and having an acceptable delivery date.

3150.20 Required Bid Solicited by Public Notice Purchase of supplies and equipment in amount or estimated amounts between Twenty Five Hundred (\$2,500) and Twenty Five Thousand Dollars (\$25,000), or when deemed advisable by the Board, bids shall be solicited by public notice, followed by award by the governing body of District, except where it makes a finding recorded in its minutes that competitive bidding would not be in the public interest. The governing body of the District shall prescribe the method and extent of public notice. All bids shall be submitted sealed to the Secretary. The governing body of the District may reject any or all bids for any or all supplies or equipment. A tabulation of all bids received, whether accepted or rejected, shall be open for public inspection for a period of not less than 30 days after the bid opening. In all cases, the award shall be made to the lowest responsible bidder. In determining the lowest responsible bidder, the governing body of the District shall take into consideration the quality offered and its conformity with the specifications, the delivery and discount terms and conditions of the bid, and other information and data required proving bidder's responsibility. However, price and quality being equal, preference may be given to responsible local bidder. In the event no proposals are received or where the estimated cost of such work does not exceed the sum of twenty five thousand dollars (\$25,000) or where the work consists of emergency work necessary in order to protect life and property, the Board of directors may have said work done by force account.

The District shall have the power to purchase in the open market without calling for bids, materials and supplies for use in any work therewith either under contract, or by force account. Except work referred to in the preceding sentence, materials and supplies for use in any new construction work or improvement, either under contract, or by force account, may not be purchased if the cost thereof exceeds twenty five thousand dollars (\$25,000), without calling for bids and awarding the contract therefore to the lowest responsible bidder.

3150.30 Contractual Services: Requests for contractual services by the Manager, Department Head, and/or Secretary of the District, for department, office or other organizational unit of the District shall be submitted to the Board who may negotiate contracts for such services as it determines are necessary.

3150.40 Emergency Purchases: Emergency purchases may be made by the Manager, Department Head and/or Secretary when the supplies or equipment so purchased are necessary for the preservation of life or property. Such emergency purchases shall be submitted to the Board for ratification at its next meeting.

3150.50 Gratuities: The acceptance of any gratuity in the form of cash, merchandise, or any other thing of value by an official or an employee of the District from a vendor or contractor, or prospective vendor or contractor, may be a cause for disciplinary action.

3150.60 Unlawful Purchases: Except as otherwise provided by law and subject to prior approval by the Board, no purchase of supplies, equipment or contractual services shall be made in excess of the amount of the appropriations allowed by the budget.

3150.70 Overruns Purchases shall be monitored against appropriate budget line items. If a purchase will result in budget line item being exceeded, the department head shall provide the General Manager with information relating to the urgency of the purchase and why the purchase cannot wait for approval at the next regularly scheduled board meeting. The General Manager shall have the authority to approve or disapprove such purposes.