

RESOLUTION NO. 2024-03

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SAN BENITO COUNTY WATER DISTRICT
ESTABLISHING A PROCUREMENT POLICY**

WHEREAS, the Government Finance Officer Association (GFOA) establishes best practices for governmental agencies;

WHEREAS, the GFOA regards formal, written financial policies adopted by the Board as central to a strategic, long-term approach to financial management;

WHEREAS, the GFOA regards a procurement policy as essential to encourage efficient, effective and fair public procurement; and

WHEREAS, the District wishes to document its procurement policy in order to maintain internal controls with regard to purchasing authorities and process;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Benito County Water District that the Procurement Policy, which is attached hereto as Exhibit "A" and incorporated herein by reference, is hereby adopted.

PASSED AND ADOPTED by the San Benito County Water District Board of Directors at the regular meeting of said board held on the 27th day of March, 2024, by the following vote:

AYES: DIRECTORS: Shelton, Williams, Flores, Tonascia & Wright
NOES: DIRECTORS: None
ABSENT: DIRECTORS: None
ABSTAIN: DIRECTORS: None

(Signature of presiding Board member
Attested by Board Secretary
Resolution #2024-03)

/s/ Andrew Shelton
Andrew Shelton
President

ATTEST: /s/ Barbara L. Mauro
Barbara L. Mauro
Board Secretary

Exhibit A

Procurement Policy

Purchase Authority:

Purchases must be approved by the appropriate approver from the authorization table. In the absence of an approver for a given request, authorization will be obtained by the next highest authority in the Authorization. All employees are responsible for making purchases at the lowest competitive price that includes the lowest cost of procurement of the purchase.

Purchasing Authorization Table

Amount of Purchase*	Purchase Type	Approval Level
\$0-2000	Purchase Order Not required	Department Manager
>\$2,000 to \$5,000	Purchase Order Process	Manager of Administration, Finance and Business Services or General Manager
>\$5,000 to \$30,000	Request for Quote	General Manager
>\$30,000	Request for Quote	Board of Directors

Purchases \$5,000 or less

Request for quotes (RFQ) for purchases of equipment, services, or supplies of \$5,000 or less is not required but will be solicited whenever practical or in the best interest of the District.

Purchases greater than \$5,000 to \$30,000

Purchases greater than \$5,000 to \$30,000 are subject to a RFQ (request for quote) with at least three 3 written quotes and approval by General Manager.

Purchases greater than \$30,000

Purchases greater than \$30,000 for equipment, services or supplies are subject to a RFQ process and approval of the Board of Directors.

District policy for RFQ process is to encourage the use of small, minority and women-owned businesses.

Exceptions

Sole or preferred source purchases or situations where three (3) competitive quotes are required but not available must be justified in writing and approved by the General Manager.

General Manager has the authority to waive the requirement for a RFQ in the event of an emergency purchase. An emergency purchase is an immediate and serious need for supplies or services that cannot be met through normal procurement methods, the lack of which would seriously threaten:

- a. Essential services or operation of the District
- b. The preservation or protection of property; or
- c. The health or safety of any person.
- d. Economic health of the District

Public Works Contracts

Public works contracts must be compliant with Government Code 21251 and Department of Industrial Relations reporting requirements.

Professional Services:

Definition: Expert and professional services provided by independent consultants which involve extended analysis, personal expertise, the exercise of discretion and independent judgment in their performance, which are of an advisory nature, provide a recommended course of action and have an end product transmitting information which is related to District programs, and an advanced, specialized type of knowledge, expertise, technical skill or training customarily acquired either by a prolonged course of study or equivalent experience, such as accountants, financial advisors, auditors, grant writers, program specialists, labor consultants and negotiators, investigators, certified laboratories, attorney and other litigation-related specialists, environmental consultants, appraisers, architects, landscape architects, surveyors, engineers, design professionals, and construction management firm.

Providers of professional services are selected on the basis of qualification, subject to negotiation of fair and reasonable compensation.

Contracts for professional services of more than \$30,000 are subject to board approval.

Purchase Orders

No purchase order is required for purchases of \$500 or less, however any purchase over \$100 must be pre-authorized by a department manager.

Completed and signed purchase orders are required for purchases greater than \$500.

Any employee may initiate a purchase order.

Purchase orders are signed by a department manager, Manager of Administration, Finance and Business Services or General Manager as indicated below:

Amount of Purchase*	Initiator of Purchase Order	Approval of Purchase Order
0-\$100	No purchase order required	N/A
>\$100-\$2000	No purchase order required. Purchases must be initiated or pre-authorized by a department manager. Invoices must be approved by department manager who authorized purchase.	N/A
>\$2000-\$5000	Any employee may initiate purchase order.	Purchase order must be approved with 2 manager signatures one of which must be the Manager of Administration, Finance and Business Services or the General Manager.
>\$5000	Any employee may initiate purchase order.	Purchase order must be approved with 2 manager signatures one of which must be the General Manager.

Claims

Claims (general accounts payable) are paid monthly after the Board meeting.

Urgent Payables

Urgent payments can be paid bi-weekly. These bills generally include utilities, employee insurance premiums, employee reimbursements, employee payroll deductions, lease and loan payments, and other invoices due before the monthly claims register is processed. Any invoice that is not a routine invoice that is necessary to be paid with urgent payables due to an urgency issue, will be presented to the Board at its monthly meeting as “Acknowledgement of Paid Claims Prior to the Board Meeting.”

Approved Vendor List

District will review and update periodically an approved vendor list for routine supplies and services. Authorized District signers for approved vendors will be reviewed periodically.

General Manager has the responsibility to establish practices and procedures to ensure compliance with these policies.

*All amounts for purchase order and purchasing authority limits are exclusive of taxes and freight.