

RESOLUTION 08-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TWENTYNINE PALMS WATER DISTRICT ADOPTING A REVISED PURCHASING AUTHORITY POLICY

WHEREAS, the Board previously adopted Resolution 05-12 which established a purchasing authority policy which sets forth the authority and restrictions on the purchase of equipment, materials, supplies and other personal property items by the General Manager or his/her designee; and

WHEREAS, it is in the best interests of this District that it maintain limits, restrictions and procedures in a purchasing authority policy; and

WHEREAS, the Board desires to update and revise the District's purchasing authority policy.

NOW, THEREFORE, the Board of Directors does hereby RESOLVE and ORDER as follows:

1. Adoption of Purchasing Authority Policy. The Board of Directors does hereby adopt a policy of authority, limits, restrictions, and procedures regarding the purchase of equipment, materials, supplies and other personal property items by the General Manager, or his/her designee, as set forth in that certain Purchasing Authority Policy ("Policy") as set forth in Exhibit A" attached hereto and incorporated herein by reference.

2. Purchases Subject to Budgetary Amounts and Authorization. The authority, limits, restrictions and procedures set forth in said Policy shall be subject to any and all applicable annual budgetary amounts and other authorizations as may be imposed by the Board from time to time.

3. Policy Shall Be Controlling Over Previous Policies. As of the effective date of this Resolution, the Policy shall be deemed to be controlling over, and shall otherwise supersede, the policy adopted by way of Resolution 05-12 and any and all other previous purchasing authority policies that may conflict with, or be contrary to, the Policy. As of the effective date of this Resolution, the policy adopted by way of Resolution 05-12 shall be of no further force or effect.

4. Severability. If any provision in this Resolution or Policy, or the application thereof to any person or circumstances, is for any reason held invalid, the validity of the remainder of this Resolution and Policy, or the application of such provisions to other persons or circumstances, shall not be affected thereby. The Board hereby declares that it would have passed this Resolution and Policy and each provision thereof,

irrespective of the fact that one or more sections, subsections, sentences, clauses or phrases or the application thereof to any person or circumstance be held invalid.

5. Effective Date. This Resolution shall become effective upon the date of adoption as set forth herein.

6. Incorporation of Recitals. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

PASSED, APPROVED AND ADOPTED this 24th day of September, 2008 by the following vote:

Ayes:	Directors Cisneros, Gallagher, Moore and Yockey
Noes:	None
Abstain:	None
Absent:	Director Anthony

Philip C. Cisneros, President
Board of Directors

Attest:

Mike Wright, Board Secretary
Twentynine Palms Water District

EXHIBIT "A"

TWENTYNINE PALMS WATER DISTRICT LIMITS OF PURCHASING AUTHORITY

101. PURCHASE APPROVAL

- a. Any purchase, whether operating, maintenance or capital, which requires an expenditure of \$25,000 or less may be approved by the General Manager, or his/her designee. Unless otherwise specified in this Policy, the term "General Manager" shall be deemed to include the General Manager and his/her designee.
- b. Except for purchases described in subsection 101(b)(i) herein, any purchase which requires an expenditure in excess of \$25,000 shall be approved by the Board of Directors.
 - (i) The General Manager shall have the authority to make purchases of consumable inventory/supplies, as said materials are described in Section 103, even if such a purchase is in excess of \$25,000. The authority of the General Manager to make such purchases shall be subject to applicable budgetary authorizations and restrictions. Such consumable inventory/supplies shall include, for example and not by way of limitation, chemicals, media, and other supplies and substances which are utilized in water treatment and operation of the District's facilities.

102. QUOTES/BIDS

- a. Whenever practical, a minimum of three quotes/bids shall be obtained on purchases of more than \$500 but less than \$25,000 prior to purchase. In the event the General Manager elects to make a purchase from a vendor who did not submit the lowest price, the General Manager shall develop and keep on file a written explanation of the reason(s) that the General Manager has determined, in his/her reasonable discretion, that the purchase from said vendor is in the best interests of the District.
- b. A minimum of three quotes/bids shall be obtained prior to making expenditures in excess of \$25,000 but less than \$1,000,000. An analysis of bids received and a staff recommendation for award shall be presented to the Board of Directors for their consideration. Procurement may be made from any vendor offering the quality goods or services which the District seeks and shall be based upon the best interests of the District as determined in the reasonable discretion of the Board of Directors. If procurement is made from a vendor not offering the lowest monetary prices, the Board shall make a finding, in the form of a brief written statement at the time of Board approval, which sets forth the Board's determination, in its reasonable discretion, that the purchase from a vendor who is not the lowest monetary bidder is in the best interests of the District.

- c. Any project or expenditure of \$1,000,000 or more, or which carries an engineer's estimate of \$1,000,000 or more, shall be awarded by the Board of Directors, only to the lowest responsive and responsible bidder and only pursuant to plans and specifications approved in advance by the Board of Directors. The requirement to award such a contract to the lowest responsive and responsible bidder shall be subject to the District's authority to reject all bids and other rights as may be provided by law or in the applicable bid/contract documents in regard to competitive bidding procedures.
- d. The purchasing agent, or other duly authorized individual, may maintain a list of local vendors, and other vendors, who have been pre-qualified to submit bids. Said individual shall update any such list, and solicit potential vendors to participate in said prequalification, from time to time.

103. INVENTORY/SUPPLIED/SERVICES/CAPITAL ASSET PURCHASES IN ACCORDANCE WITH THE CURRENTLY APPROVED BUDGET

- a. Materials which are primarily stored as inventory and/or consumed as supplies are to be considered inventory/supplies. Purchases of these items will be classified as a signature purchase, a general purchase, a petty cash purchase or a credit card purchase.

104. TYPES OF PURCHASES

- a. Signature Purchases: Restricted to "immediate need" and defined as situations where a necessary inventory or supply item is not on hand and the time delay created by ordering and delivery of the required item would seriously diminish productivity. Signature purchases are limited to \$300 per day and may be made only upon approval of the Department Manager, or other duly authorized individual, and only where accounts have been established for purposes such as small hardware, supplies or auto parts. Quotes will not be required for signature purchases. Purchase requisitions, or other applicable documentation, will be required for signature purchases. Receipts, or other applicable documentation, must be submitted to the Finance Department in a timely manner.
- b. General Purchases: Those purchases made on a regular basis. General purchases may be made by the designated Purchasing Agent, or other duly authorized individual (limited to \$500 per day), a Department Manager, or other duly authorized individual (limited to \$5,000 per day) and the General Manager. All general purchases require a purchase requisition and purchase order, or other applicable documentation.
- c. Petty Cash Purchases: Those inventory/supplies/services which are purchased from retailers who require cash payment. Such purchases are

restricted to situations where a necessary inventory/supply/service is an immediate need item which is obtainable only from a vendor requiring cash payment. The General Manager and Operations Superintendent, or other duly authorized individual, may make or approve such purchases limited to \$100 daily; the designated Purchasing Agent, or other duly authorized individual, may make or approve such purchase limited to \$50 daily. All such purchases must have appropriately signed receipts. Neither purchase requisitions nor purchase orders will be required for petty cash purchases.

- d. Credit Card Purchases: Credit card purchases, limited to \$2,500 per day, may be made by the General Manager. Members of the Board of Directors are limited to credit card purchases for travel or travel-related expenses while in the performance of District duties or in attendance at District-related training or seminars. All receipts must be returned to the General Manager within three working days of return to the District. Purchase requisitions and purchase orders may be required for credit card purchases. Notwithstanding the foregoing, members of the Board of Directors shall be required to comply with all applicable laws, rules and regulations regarding expenditures and reimbursements including, but not limited to, laws regarding conflicts of interest and ethical requirements.

105. EMERGENCY EXCEPTIONS

- a. In the event of an emergency, if a quorum of the Board of Directors cannot be attained, the General Manager or his/her designee may make, without restrictions, any purchase(s) necessary to alleviate the situation. An emergency is defined as any occurrence or situation which is posing a real and immediate hazard to public health or safety. Any purchase of this type will be fully disclosed at the next scheduled meeting of the Board of Directors and, if applicable, submitted to the Board for consideration of approval or ratification.

106. PURCHASING PROCEDURES

- a. The General Manager shall have authority to establish written management procedures in order to implement this purchasing policy.

PURCHASING PROCEDURES IMPLEMENTATION OF RESOLUTION 08-12

1. Purchase orders will be prepared in duplicate.

2. A completed purchase requisition shall be presented to the designated purchasing agent.
3. The requisition shall include the appropriate account number for job, equipment and/or accounts payable distribution.
4. The purchasing agent will complete the necessary purchase order(s) with detailed ordering information and pricing.
5. It is the responsibility of the purchasing agent to verify that the completed purchase order(s) has been approved by an authorized signer per the District's Purchasing Policy.
6. The purchasing agent will maintain files containing the matched originals of the purchase requisitions and purchase orders along with quotes and any other information relevant to the purchase.
7. Upon receipt of merchandise the person so designated shall verify items and quantities enter the appropriate inventory numbers, initial the shipping documentation and forward all paperwork to the purchasing agent.
8. Upon verification of shipment, the purchasing agent will attach the yellow copy of the purchase order to the completed shipping documentation and submit to accounts payable in a timely manner.
9. All invoices presented to accounts payable for payment shall be accompanied by a requisition or purchase order as prescribed in the District's Purchasing Policy except for utility bills and purchases governed by contract and will not be paid until paperwork is complete.