

RESOLUTION 10-13

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
TWENTYNINE PALMS WATER DISTRICT
ESTABLISHING THE LIMITS OF PURCHASING AUTHORITY
POLICY FOR THE TWENTYNINE PALMS FIRE DEPARTMENT
AND RESCINDING RESOLUTION 07-07**

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

WHEREAS, the Board of Directors established limits of purchasing authority for the Twentynine Palms Fire Department and the Fire Chief by adopting Resolution 07-07 on April 25th, 2007; and

WHEREAS, the Board of Directors now desires to rescind 07-07 in order to adjust the limits of purchasing authority for the Twentynine Palms Fire Department and the Fire Chief.

NOW, THEREFORE, BE IT RESOLVED that this Board of Directors does hereby rescind Resolution 07-07 and establishes the limits of purchasing authority policy within annual budgetary amounts for the Twentynine Palms Fire Department and Fire Chief as set forth in Exhibit "A" hereto, a copy of which is attached to this resolution and incorporated in full by this reference.

PASSED, APPROVED AND ADOPTED this 23rd day of June 2010 by the following vote:

Ayes: Directors Chambers, Cisneros, Moore and Shinaver
Noes: None
Absent: None
Abstain: None

Philip C. Cisneros, President
Board of Directors

Attest:

Mike Wright, Board Secretary
Twentynine Palms Water District

EXHIBIT "A"

TWENTYNINE PALMS FIRE DEPARTMENT LIMITS OF PURCHASING AUTHORITY

101. PURCHASE APPROVAL

- a. Any purchase, whether operating, maintenance or capital, which requires an expenditure of \$20,000 or less may be approved by the Fire Chief.
- b. Any purchase which requires an expenditure in excess of \$20,000 shall be approved by the Board of Directors.

102. QUOTES/BIDS

- a. A minimum of three quotes/bids shall be obtained on purchases of more than \$500 but less than \$20,000 prior to purchase order submittal. Procurement made from a vendor not offering the lowest price shall be accompanied by a brief written statement justifying why purchase of the higher priced item is in the "best interests of the District." This statement shall be presumed to be correct unless made on a totally arbitrary and capricious basis.
- b. A minimum of three quotes/bids shall be obtained prior to purchase order submittal for all expenditures in excess of \$20,000 but less than \$1,000,000. Potential vendors shall be notified of the purchase requirements. 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. 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 justifying why purchase from the higher priced vendor is in the "best interests of the District." This written justification shall be presumed to be correct unless made on a totally arbitrary and capricious basis.
- 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 responsible bidder and only pursuant to plans and specifications approved in advance by the Board of Directors.
- d. The District's purchasing agent shall maintain an up to date list of local vendors.

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 or a petty cash 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 and/or public safety. Signature purchases are limited to \$500 per day and may be made only upon approval of the Department Manager 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 will be required for signature purchases and receipts 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 (limited to \$500 per day), and the Fire Chief (limited to \$20,000 per day). All general purchases require a purchase requisition and purchase order.
- 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 Fire Chief and designated representative may make or approve such purchases limited to \$200 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 Fire Chief. Purchase requisitions and purchase orders may be required for credit card purchases.

105. EMERGENCY EXCEPTIONS

- a. In the event of an emergency, if a quorum of the Board of Directors cannot be attained, the Fire Chief or designated representative 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.

106. PURCHASING PROCEDURES

- a. The purchasing procedures in place for the Twentynine Palms Water District shall apply.