

SAN GORGONIO PASS WATER AGENCY

1210 Beaumont Ave, Beaumont, CA 92223

Board Finance & Budget Workshop

Agenda

December 18, 2017, at 1:30 p.m.

1. Call to Order, Flag Salute

2. Adoption and Adjustment of Agenda

3. Public Comment

Members of the public may address the Board at this time concerning items not on the agenda. To comment on specific agenda items, please complete a speaker's request form and hand it to the Board secretary.

4. New Business (Discussion and possible recommendations for action at a future regular Board meeting)

- A. Ratification of Paid Invoices and Monthly Payroll for November, 2017 by Reviewing Check History Reports in Detail*
- B. Review of Pending Legal Invoices*
- C. Review of November, 2017 Bank Reconciliation*
- D. Review of Budget Report for November, 2017*
- E. Discussion of Proposed Procurement Policy Revisions*
- F. Update on Expanded Noble Connection
- G. Status of Director Email

5. Announcements

- A. The office will be closed December 22, 2017 in observance of Christmas Eve.
- B. The office will be closed December 25, 2017 in observance of Christmas Day.
- C. The office will be closed December 29, 2017 in observance of New Year's Eve.
- D. The office will be closed January 1, 2018 in observance of New Year's Day.
- E. Regular Board Meeting, Tuesday, January 2, 2018, 1:30 pm

6. Closed Session (1 Item)

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Paragraph (1) of subdivision (d) of Government Code Section 54956.9)

Name of case: San Gorgonio Pass Water Agency vs. Beaumont Basin Watermaster
Case No. RIC 1716346

7. Adjournment

***Information Included In Agenda Packet**

1. Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Agency's office at 1210 Beaumont Ave., Beaumont, CA 92223 during normal business hours. 2. Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Agency's office, during regular business hours. When practical, these public records will also be available on the Agency's Internet website, accessible at <http://www.sgpwa.com>. 3. Any person with a disability who requires accommodation in order to participate in this meeting should telephone the Agency (951-845-2577) at least 48 hours prior to the meeting to make a request for a disability-related modification or accommodation.

San Geronio Pass Water Agency
Check History Report
November 1 through November 30, 2017

ACCOUNTS PAYABLE

<u>Date</u>	<u>Number</u>	<u>Name</u>	<u>Amount</u>
11/06/2017	118650	ARMSTRONG & BROOKS ENGINEERS	8,977.32
11/06/2017	118651	AUTOMATION PRIDE	95.00
11/06/2017	118652	BEAUMONT-CHERRY VALLEY WATER DISTRICT	394.28
11/06/2017	118653	BDL ALARMS, INC.	78.00
11/06/2017	118654	BEST BEST & KRIEGER	12,058.70
11/06/2017	118655	BEAUMONT HOME CENTER	68.87
11/06/2017	118656	CORELOGIC SOLUTIONS, LLC.	3,600.00
11/06/2017	118657	PROVOST & PRITCHARD	2,040.00
11/06/2017	118658	SAN BERNARDINO VALLEY MUNI WATER DISTRICT	156,738.22
11/06/2017	118659	UNDERGROUND SERVICE ALERT	24.85
11/06/2017	118660	UNLIMITED SERVICES BUILDING MAINT.	295.00
11/06/2017	118661	WASTE MANAGEMENT INLAND EMPIRE	94.80
11/06/2017	118662	WATER RESOURCES CONSULTING	7,481.57
11/16/2017	118663	ACWA BENEFITS	891.52
11/16/2017	118664	BLAIR M. BALL	910.17
11/16/2017	118665	ERNST & YOUNG LLP	515.00
11/16/2017	118666	FRONTIER COMMUNICATIONS	1,386.74
11/16/2017	118667	GOPHER PATROL	51.00
11/16/2017	118668	WELLS FARGO ELITE CREDIT CARD	1,193.07
11/20/2017	118669	CALPERS HEALTH	9,898.17
11/20/2017	118670	CSDA	6,842.00
11/20/2017	118671	DAVID TAUSSIG & ASSOCIATES, INC.	1,862.50
11/20/2017	118672	MATTHEW PISTILLI LANDSCAPE SERVICES	325.00
11/20/2017	118673	NICE-INCONTACT	115.98
11/20/2017	118674	RED TRUCK FIRE & SAFETY CO	139.03
11/20/2017	118675	SOUTHERN CALIFORNIA EDISON	28.36
11/20/2017	118676	WHEELER RIDGE-MARICOPA WSD	1,263.38
11/27/2017	118677	JEFFREY W. DAVIS	1,477.26
11/27/2017	118678	PROVOST & PRITCHARD	2,020.00
11/27/2017	118679	SOUTHERN CALIFORNIA EDISON	91.86
11/27/2017	118680	LEONARD C. STEPHENSON	1,185.00
11/27/2017	118681	CHERYLE M. STIFF	831.44
11/27/2017	118682	THOMAS W. TODD, JR.	1,064.46
11/27/2017	118683	VALLEY OFFICE EQUIPMENT, INC.	154.82
11/27/2017	118684	WATER EDUCATION FOUNDATION	4,000.00
11/29/2017	118685	STANDARD INSURANCE COMPANY	448.28
11/15/2017	594949	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,064.30
11/15/2017	509043	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	5,384.47
11/29/2017	537239	EMPLOYMENT DEVELOPMENT DEPARTMENT	1,241.27
11/29/2017	501395	ELECTRONIC FEDERAL TAX PAYMENT SYSTEM	7,279.06
11/15/2017	900157	CALPERS RETIREMENT	5,857.02
11/29/2017	900158	CALPERS RETIREMENT	6,286.32
11/30/2017	900159	DEPARTMENT OF WATER RESOURCES	777,007.00
		TOTAL ACCOUNTS PAYABLE CHECKS	<u>1,032,761.09</u>

San Geronio Pass Water Agency
Check History Report
November 1 through November 30, 2017

PAYROLL

Date	Number	Name	Amount
11/14/2017	801457	BLAIR M. BALL	1,167.90
11/14/2017	801458	JEFFREY W. DAVIS	5,192.36
11/14/2017	801459	KENNETH M. FALLS	2,644.40
11/14/2017	801460	CHERYLE M. STIFF	2,212.54
11/14/2017	801461	THOMAS W. TODD, JR.	3,546.72
11/28/2017	801462	BLAIR M. BALL	1,049.76
11/28/2017	801463	DAVID J. CASTALDO	1,167.90
11/28/2017	801464	JEFFREY W. DAVIS	5,192.36
11/28/2017	801465	RONALD A. DUNCAN	1,167.90
11/28/2017	801466	KENNETH M. FALLS	3,721.10
11/28/2017	801467	DAVID L. FENN	1,167.90
11/28/2017	801468	STEPHEN J. LEHTONEN	1,167.90
11/28/2017	801469	LEONARD C. STEPHENSON	1,167.90
11/28/2017	801470	CHERYLE M. STIFF	2,112.54
11/28/2017	801471	MICHAEL D. THOMPSON	1,167.90
11/28/2017	801472	THOMAS W. TODD, JR.	3,546.72
TOTAL PAYROLL			37,393.80
TOTAL DISBURSEMENTS FOR NOVEMBER, 2017			1,070,154.89

SAN GORGONIO PASS WATER AGENCY
New Vendors List
December, 2017

Vendor - Name and Address	Expenditure Type
Antelope Valley East Kern Water Agency (AVEK) 6500 West Avenue N; Palmdale, CA 93551-2855	Water Agency

SAN GORGONIO PASS WATER AGENCY

**LEGAL INVOICES
ACCOUNTS PAYABLE INVOICE LISTING**

<u>VENDOR</u>	<u>INVOICE NBR</u>	<u>COMMENT</u>	<u>AMOUNT</u>
BEST, BEST & KRIEGER	171130	LEGAL SERVICES NOV17	21,092.51

TOTAL PENDING INVOICES FOR NOVEMBER 2017

21,092.51

**SAN GORGONIO PASS WATER AGENCY
BANK RECONCILIATION
NOVEMBER 30, 2017**

BALANCE PER BANK AT 11/30/17 - CHECKING ACCOUNT 977,113.62

LESS OUTSTANDING CHECKS

CHECK NUMBER	AMOUNT	CHECK NUMBER	AMOUNT
118579	290.23	118684	4,000.00
118657	2,040.00	118685	448.28
118678	2,020.00	900158	6,286.32
	4,350.23		10,734.60

TOTAL OUTSTANDING CHECKS (15,084.83)

BALANCE PER GENERAL LEDGER 962,028.79

BALANCE PER GENERAL LEDGER AT 10/31/17 244,931.03

CASH RECEIPTS FOR NOVEMBER 566,252.65

CASH DISBURSEMENTS FOR NOVEMBER

ACCOUNTS PAYABLE - CHECK HISTORY REPORT	1,032,761.09	
NET PAYROLL	37,393.80	(1,070,154.89)

BANK CHARGES -

TRANSFERS FROM WF SAVINGS 700,000.00

TRANSFERS TO TVI (750,000.00)

TRANSFERS FROM LAIF 500,000.00

TRANSFERS FROM TVI 771,000.00

BALANCE PER GENERAL LEDGER AT 11/30/17 962,028.79

REPORT PREPARED BY:

Thomas W. Ford, Jr.

**SAN GORGONIO PASS WATER AGENCY
DEPOSIT RECAP
FOR THE MONTH OF NOVEMBER 2017**

<u>DATE</u>	<u>RECEIVED FROM</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>TOTAL DEPOSIT AMOUNT</u>
DEPOSIT TO CHECKING ACCOUNT				
11/7/17	BCVWD	SITES RESERVOIR DEPOSIT #2	63,151.00	63,151.00
11/7/17	STATE OF CALIF/DWR	SMIF INTEREST	17,162.00	17,162.00
11/13/17	BINGHAM	PUBLIC RECORDS REQUEST	6.00	
11/13/17	BCVWD	WATER SALES	434,924.00	
11/13/17	YVWD	WATER SALES	23,057.58	457,987.58
11/17/17	RIVERSIDE COUNTY	PROPERTY TAXES	656.82	656.82
11/20/17	RIVERSIDE COUNTY	PROPERTY TAXES	12,766.25	12,766.25
11/28/17	TVI	CD - BOND INTEREST	14,354.00	14,354.00
11/30/17	Weka, Inc.	Fiesta Recharge Plans	15.00	
11/30/17	Pro-Craft Construction, Inc.	Fiesta Recharge Plans	15.00	
11/30/17	Spiess Construction, Inc.	Fiesta Recharge Plans	15.00	
11/30/17	Mladen Buntich Construction	Fiesta Recharge Plans	65.00	
11/30/17	Norstar Plumbing & Eng.	Fiesta Recharge Plans	65.00	175.00
TOTAL FOR NOVEMBER 2017			566,252.65	566,252.65

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2017**

FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018						
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET	
GENERAL FUND - INCOME						
INCOME				Comparison:	58%	
WATER SALES	5,500,000		5,500,000	2,056,426.12	62.61%	
TAX REVENUE	2,350,000		2,350,000	194,973.31	91.70%	
INTEREST	110,000		110,000	54,674.69	50.30%	
DESIGNATED REVENUES	0		0	0.00	0.00%	
OTHER (REIMBURSEMENTS, TRANSFERS)	456,000		456,000	192,868.89	57.70%	
TOTAL GENERAL FUND INCOME	8,416,000	0	8,416,000	2,498,943.01	70.31%	
GENERAL FUND - EXPENSES						
COMMODITY PURCHASE						
PURCHASED WATER	6,230,000		6,230,000	1,434,948.18	76.97%	
TOTAL COMMODITY PURCHASE	6,230,000	0	6,230,000	1,434,948.18	76.97%	
SALARIES AND EMPLOYEE BENEFITS						
SALARIES	454,000		454,000	189,381.36	58.29%	
PAYROLL TAXES	38,000		38,000	14,859.74	60.90%	
RETIREMENT	123,000		123,000	63,589.81	48.30%	
OTHER POST-EMPLOYMENT BENEFITS (OPEB)	25,000		25,000	11,200.03	55.20%	
HEALTH INSURANCE	61,000		61,000	31,866.24	47.76%	
DENTAL INSURANCE	4,500		4,500	2,277.06	49.40%	
LIFE INSURANCE	1,300		1,300	654.68	49.64%	
DISABILITY INSURANCE	4,700		4,700	1,969.55	58.09%	
WORKERS COMP INSURANCE	3,400		3,400	873.36	74.31%	
SGPWA STAFF MISC. MEDICAL	10,000		10,000	5,709.35	42.91%	
EMPLOYEE EDUCATION	1,000		1,000	299.00	70.10%	
TOTAL SALARIES AND EMPLOYEE BENEFITS	725,900	0	725,900	322,680.18	55.55%	

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18**

**BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2017**

FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018						
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET	
GENERAL FUND - EXPENSES				Comparison:	58%	
ADMINISTRATIVE & PROFESSIONAL						
DIRECTOR EXPENDITURES						
DIRECTORS FEES	108,000		108,000	38,061.57	64.76%	
DIRECTORS TRAVEL & EDUCATION	15,000		15,000	1,968.00	86.88%	
DIRECTORS MISC. MEDICAL	23,000		23,000	7,425.26	67.72%	
OFFICE EXPENDITURES						
OFFICE EXPENSE	24,000		24,000	6,478.00	73.01%	
POSTAGE	650		650	400.00	38.46%	
TELEPHONE	11,000		11,000	4,747.08	56.84%	
UTILITIES	5,000		5,000	1,389.29	72.21%	
SERVICE EXPENDITURES						
COMPUTER, WEB SITE AND PHONE SUPPORT	10,000		10,000	1,339.98	86.60%	
GENERAL MANAGER & STAFF TRAVEL	22,000		22,000	7,506.55	65.88%	
INSURANCE & BONDS	23,000		23,000	20,968.00	8.83%	
ACCOUNTING & AUDITING	21,000		21,000	20,600.00	1.90%	
STATE WATER CONTRACT AUDIT	5,500		5,500	5,158.00	6.22%	
DUES & ASSESSMENTS	31,500		31,500	29,734.00	5.61%	
OUTSIDE PROFESSIONAL SERVICES	2,000		2,000	1,850.00	7.50%	
BANK CHARGES	1,500		1,500	131.20	91.25%	
MISCELLANEOUS EXPENSES	500		500	0.00	100.00%	
MAINTENANCE & EQUIPMENT EXPENDITURES						
TOOLS PURCHASE & MAINTENANCE	1,000		1,000	0.00	100.00%	
VEHICLE REPAIR & MAINTENANCE	7,000		7,000	2,974.24	57.51%	
MAINTENANCE & REPAIRS - BUILDING	15,000		15,000	4,910.92	67.26%	
MAINTENANCE & REPAIRS - FIELD	4,500		4,500	96.10	97.86%	
CONTRACT OPERATIONS AND MAINTENANCE	150,000		150,000	25,011.35	83.33%	
COUNTY EXPENDITURES						
LAFCO COST SHARE	5,000		5,000	5,368.12	-7.36%	
ELECTION EXPENSE	0		0	0.00	0.00%	
TAX COLLECTION CHARGES	10,500		10,500	504.82	95.19%	
TOTAL ADMINISTRATIVE & PROFESSIONAL	496,650	0	496,650	186,622.48	62.42%	

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18**

**BUDGET VS. REVISED BUDGET VS. ACTUAL
FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2017**

FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018						
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET	
GENERAL FUND - EXPENSES				Comparison:	58%	
GENERAL ENGINEERING						
GRANT WRITER	10,000		10,000	0.00	100.00%	
NEW WATER						
PROGRAMATIC EIR	50,000		50,000	0.00	100.00%	
UPDATED STUDY ON AVAILABLE SOURCES	5,000		5,000	18,890.06	-277.80%	
SGMA SUPPORT	10,000		10,000	0.00	100.00%	
STUDIES						
USGS	100,000		100,000	32,502.79	67.50%	
WATER RATE NEXUS STUDY	40,000		40,000	0.00	100.00%	
WATER RATE FINANCIAL MODELING	20,000		20,000	7,650.00	61.75%	
CAPACITY FEE NEXUS STUDY UPDATE	10,000		10,000	0.00	100.00%	
WHEELING RATE STUDY	20,000		20,000	0.00	100.00%	
OTHER PROJECTS						
BASIN MONITORING TASK FORCE	22,000		22,000	14,019.00	36.28%	
GENERAL AGENCY - CEQA AND GIS SERVICES	15,000		15,000	7,481.57	50.12%	
TOTAL GENERAL ENGINEERING	302,000	0	302,000	80,543.42	73.33%	
LEGAL SERVICES						
LEGAL SERVICES - GENERAL	200,000		200,000	98,192.48	50.90%	
TOTAL LEGAL SERVICES	200,000	0	200,000	98,192.48	50.90%	
CONSERVATION & EDUCATION						
SCHOOL EDUCATION PROGRAMS	14,000		14,000	3,250.00	76.79%	
ADULT EDUCATION PROGRAMS	5,000		5,000	0.00	100.00%	
OTHER CONSERVATION, EDUCATION AND P. R.	35,000		35,000	0.00	100.00%	
TOTAL CONSERVATION & EDUCATION	54,000	0	54,000	3,250.00	93.98%	

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18**

BUDGET VS. REVISED BUDGET VS. ACTUAL

FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2017

		FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018					REMAINING
	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD		PERCENT OF BUDGET	
GENERAL FUND - EXPENSES							
GENERAL FUND CAPITAL EXPENDITURES							
BUILDING & EQUIPMENT							
BUILDING	10,000		10,000	0.00		100.00%	
FURNITURE & OFFICE EQUIPMENT	10,000		10,000	0.00		100.00%	
OTHER EQUIPMENT	0		0	0.00		0.00%	
TRANSPORTATION EQUIPMENT	37,000		37,000	33,666.21		9.01%	
FIESTA RECHARGE FACILITY					Comparison:	58%	
POST DESIGN	250,000		250,000	0.00		100.00%	
CONSTRUCTION	2,500,000		2,500,000	39,849.37		98.41%	
FENCING	120,000		120,000	0.00		100.00%	
MITIGATION	15,000		15,000	0.00		100.00%	
LANDSCAPING/POWERWATER	0		0	0.00		0.00%	
BUNKER HILL CONJUNCTIVE USE PROJECT	0		0	0.00		0.00%	
BCVWD TURNOUT EXPANSION							
DESIGN	35,000		35,000	0.00		100.00%	
CONSTRUCTION	162,000		162,000	0.00		100.00%	
POST DESIGN	30,000		30,000	0.00		100.00%	
SITES RESERVOIR	270,000		270,000	222,295.38		17.67%	
TOTAL GENERAL FUND CAPITAL EXPENDITURES	3,439,000	0	3,439,000	295,810.96		91.40%	
TRANSFERS TO OTHER FUNDS	0		0	0.00			
TOTAL GENERAL FUND EXPENSES	11,447,550	0	11,447,550	2,422,047.70		78.84%	
WITHDRAWALS FROM RESERVES							
TOTAL TRANSFERS FROM RESERVES	3,155,000		3,155,000	0.00			
GENERAL FUND NET INCOME YEAR TO DATE	123,450	0	123,450	76,895.31			

**SAN GORGONIO PASS WATER AGENCY
BUDGET REPORT FY 2017-18
BUDGET VS. REVISED BUDGET VS. ACTUAL**

FOR THE FIVE MONTHS ENDING ON NOVEMBER 30, 2017

FOR THE FISCAL YEAR JULY 1, 2017 - JUNE 30, 2018

	ADOPTED BUDGET	REVISIONS TO BUDGET	TOTAL REVISED BUDGET	ACTUAL YTD	REMAINING PERCENT OF BUDGET
DEBT SERVICE FUND - INCOME				Comparison:	58%
INCOME					
TAX REVENUE	21,053,359		21,053,359	1,228,322.10	94.17%
INTEREST	300,000		300,000	153,142.18	48.95%
GRANTS	0		0	0.00	0.00%
DWR CREDITS - BOND COVER, OTHER	2,827,882		2,827,882	1,427,271.66	49.53%
TOTAL DEBT SERVICE FUND INCOME	24,181,241	0	24,181,241	2,808,735.94	88.38%
DEBT SERVICE FUND - EXPENSES					
EXPENSES					
SALARIES	54,000		54,000	23,531.36	56.42%
PAYROLL TAXES	4,100		4,100	1,800.06	56.10%
BENEFITS	29,000		29,000	15,001.65	48.27%
SWC CONTRACTOR DUES	42,000		42,000	41,154.00	2.01%
STATE WATER CONTRACT PAYMENTS	17,563,554		17,563,554	11,292,831.00	35.70%
PURCHASED WATER	0		0	761.58	0.00%
STATE WATER PROJECT LEGAL SERVICES	0		0	185.04	0.00%
USGS	0		0	0.00	0.00%
CONTRACT OPERATIONS AND MAINTENANCE	180,000		180,000	25,011.35	86.10%
SWP ENGINEERING	75,000		75,000	34,339.95	54.21%
DEBT SERVICE UTILITIES	10,000		10,000	4,282.24	57.18%
TAX COLLECTION CHARGES	76,000		76,000	2,860.66	96.24%
TOTAL DEBT SERVICE FUND EXPENSES	18,033,654	0	18,033,654	11,441,758.89	36.55%
TRANSFERS FROM RESERVES					
			0	0.00	
DEBT SERVICE NET INCOME YEAR TO DATE	6,147,587	0	6,147,587	-8,633,022.95	

SGPWA Procurement Policy

Revised October 6, 2014 November 7, 2017

Section 1. Purpose and Applicability:

The purpose of this policy is to define the Agency's policies and procedures applicable to bidding of contracts for the construction for of new improvements and the procurement of materials, supplies, equipment, and professional services as well as for public works, including maintenance, pursuant to the provisions of Public Contract Code Section 21510 et seq. pertaining to the Agency. This policy is written to comply with the requirements of Government Code Section 54201 et seq. This Policy policy does not apply to procurement relating to the Agency's operating expenses such as payroll, utilities, employee benefits, water purchases or taxes.

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Section 2. Authority of the General Manager to Execute Contracts

The General Manager is authorized to execute contracts as follows without prior approval from the Board. Except in the case of an emergency, as set forth in this policy, the General Manager's authority to enter into contracts without prior Board approval shall be limited to projects that have been budgeted by the Board.

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A. Contracts for materials, supplies and equipment (including cooperative purchasing as set out in Section 4 below) up to \$20,000. For items where the projected cost exceeds \$10,000, the General Manager shall solicit at least three quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering qualifications and quality, as well as price. If the item is not readily available or a specific type of item is required to fit with existing Agency's equipment, the General Manager shall note the justification for sole source acquisition as set out in this policy. All contracts for materials, supplies and equipment in excess of \$20,000 shall be approved by the Board prior to execution.

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B. Contracts for professional services up to \$40,000. Professional services contracts by law do not require bidding. Pursuant to Government Code Section 4526, when the Agency seeks to procure professional services of architectural, landscape architectural, engineering, environmental, land surveying, or construction management firms, selection shall be on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price. All professional service contracts in excess of \$40,000 shall be approved by the Board prior to execution. Any change or addition to the work to be performed under a professional services contract may be approved by the General Manager without prior Board approval in amounts up to 10% of the contract amount. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Changes or additions to the work which constitute more than 10% of a the contract amount must be approved by the Board prior to execution.

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Commented [1]: Does the Agency require a certain number of competitive proposals be solicited for professional services?

C. Contracts for maintenance or construction up to \$50,000. For contracts above from \$20,001 to \$50,000, the General Manager shall solicit at least two quotes for the work, if possible, from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. If at least two quotes are not received, the

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Section 3. Improvements and Public Works Construction Estimated to Cost more than \$50,000

Where the improvement or unit of work is estimated by the General Manager, or his or her designee, to cost more than \$50,000, or where the materials and supplies for use in any new construction work or improvement will cost \$50,000 or more than \$50,000, the Agency shall comply with the following bidding procedures:

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A. The work may be performed in one or more contracts, and the call for bids shall state whether the work shall be performed in one unit or divided into parts.

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B. The call for bids shall describe the project and shall invite and specify procedures for the submission of sealed bids for such project. The call for bids shall describe how to obtain information regarding the project in order to submit such a bid and shall specify the deadline for submission of bids and the time for their opening.

C. The Agency shall advertise the work by publishing the call for bids three times in a daily newspaper of general circulation printed and published within the Agency boundaries or two times in a weekly newspaper of general circulation printed and published within the Agency boundaries.

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D. At the time set for the opening of bids, the General Manager shall open and review all bids and shall determine which is the lowest responsible bidder(s) submitting a responsive bid.

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E. The Board will award the contract(s) to with the lowest responsible bidder(s) submitting a responsive bid shall be approved by the Board prior to execution of the contract.

F. The Board shall require the successful bidder to provide sufficient payment (labor and materials) and faithful performance bonds in the form amounts as required by law or as otherwise specified by the Agency.

G. Notwithstanding the bidding procedures set forth above, the Board may reject any and all bids and may perform the work by force account, negotiated contract or by contracting in the open market or may acquire the materials and supplies in the open market.

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H. In the event no bids are received, the Board may direct the General Manager to rebid the project or may proceed under Section subsection (G) above.

I. Construction change orders may be approved by the General Manager without prior approval of the Board in amounts up to 10% of the contract amount. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Change orders totaling more than 10% of a contract amount must be approved by the Board prior to execution.

Section 4. Exceptions

A. Emergency conditions. An emergency is defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public

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~~services. breakdown in machinery or equipment resulting in the interruption of an essential service, or threat to public health, safety, or welfare.~~ In the case of an emergency requiring the immediate purchase of supplies, materials, equipment or contractual services, the General Manager ~~hereby is~~ hereby authorized to secure in the open market, without bidding, at the lowest obtainable price, any supplies, materials, equipment, or contractual services required, regardless of the

amount of the expenditure and to report such action to the Board at its next meeting, in compliance with Public Contract Code Section 22050.

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B. ~~Limited availability/ Sole source/~~ Single source. Single or sole source procurements shall only be made in the limited situations as authorized by law. The competitive bidding procedures set forth herein should be followed except in exceptional circumstances, such as where the Agency has determined that competitive bidding is impossible, futile, or not in the public interest, such that no competitive advantage can be gained by soliciting bids.

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Further, in accordance with Public Contract Code Section 3400(c), the Agency, or its designee, may make a finding that is described in the invitation for bids or request for proposals that a particular material, product, thing, or service is designated by specific brand or trade name for any of the following purposes:

1. In order that a field test or experiment may be made to determine the product's suitability for future use.
2. In order to match other products in use on a particular public improvement either completed or in the course of completion.
3. In order to obtain a necessary item that is only available from one source.
4. In order to respond to an emergency.
5. In order to respond to an emergency declared by the state, a state agency, or political subdivision of the state, but only if the facts setting forth the reasons for the finding of the emergency are contained in the public records of the Agency.

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~~Occasionally, required supplies, material, equipment, or services are of a proprietary nature, or are otherwise of such specific design or construction, or are specifically desired for purposes of maintaining cost effective system consistency, as to be available from only one source. After reasonable efforts to find alternative suppliers, the General Manager may make or may recommend making the purchase from the sole source.~~

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C. Cooperative purchasing. The Agency shall have the authority to join with other public jurisdictions in cooperative purchasing agreements or to buy directly from a vendor at a price established by competitive bidding by another public jurisdiction in substantial compliance with this policy, even if the Agency has not joined with that public agency in a formal agreement. The Agency also may purchase from the United States of America or any state, municipality or other public corporation or agency without following formal purchasing procedures as defined in this policy.

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Section 5. Review

It is the intent of the Board of Directors to review this policy bi-annually, upon change in Agency management, and/or at any other time as determined in the discretion of the Board.

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General Manager shall note the justification for sole source procurement as set forth in this policy. All contracts for maintenance or construction in excess of \$50,000 shall be approved by the Board prior to execution.

D. Emergency contracts specified in this policy.

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The General Manager is delegated the authority to enter into emergency contracts on behalf of the Agency. All emergency contracts over \$15,000, along with including their price, shall be reported to the Board at the earliest practicable time after the contract has been executed. The General Manager may not delegate his purchasing authority to any other employee.

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D.

| Adopted October 6, 2014-6-0 (Director Morris absent)