

San Gorgonio Pass Water Agency

Procurement Policy

Adopted December 18, 2006

Revised December 17, 2007

Revised January 22, 2024

Section 1. Purpose and Applicability: The purpose of this San Gorgonio Pass Water Agency (“Agency”) Procurement Policy is to establish policies and procedures applicable to the procurement of materials, supplies, equipment, services, bidding and approval of contracts related to the construction of improvements to, new or existing, Agency structures, buildings or facilities for public works projects, including maintenance, pursuant to the provisions of Public Contract Code Section 21510 et seq. pertaining to the Agency, Public Contract Code Section 22050 and Government Code Section 54202. In addition, to establish certain delegations of authority for the General Manager to execute contracts. This Policy does not apply to operating expenses such as payroll, utilities, employee benefits, water purchases or taxes.

Section 2. Delegation of Authority of the General Manager to Execute Contracts

The Board of Directors for the Agency delegates to the General Manager the authority to execute contracts as follows without prior approval from the Board:

A. Contracts for the procurement of materials, supplies and equipment, including vehicles (“Goods”)

For items up to \$5,000, (including cooperative purchasing as set out in Section 4 below) without advertising for bids, although two verbal and/or internet quotes are recommended.

For items where the cost exceeds \$5,000 up to \$15,000, Staff shall solicit at least two written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

For items where the cost exceeds \$15,000 up to \$35,000, Staff shall solicit at least three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

For items where the cost exceeds \$35,000 up to \$50,000, Staff shall solicit at least three written quotes (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

If an item is not readily available or a specific type is required to fit with existing Agency equipment, Staff shall note the justification for sole source acquisition as set out in Section 4.

All quotes will be documented in writing. The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

B. Contracts for services to perform maintenance or construction work

For contracts up to \$35,000, Staff shall solicit at least three written quotes or proposals (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

For contracts over \$35,000 up to \$50,000, Staff shall solicit at least three written quotes or proposals for the work (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

If at least two quotes or proposals are not received, or if the service or work is not readily available, or if a specific type of service or work is required to fit with existing Agency infrastructure, Staff shall note the justification for sole source acquisition as set out in Section 4.

All quotes or proposals will be documented in writing. The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

C. Contracts for other services, not including professional services described in subsections B. and D. of Section 2. in this Policy

For contracts up to \$35,000, Staff shall solicit at least three written quotes or proposals (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price.

For such contracts over \$35,000 up to \$50,000, Staff shall solicit at least three written quotes or proposals (where possible) from qualified vendors and shall determine which vendor provides the best value, considering quality as well as price. The General Manager shall report the execution of the contract to the Board.

If at least two quotes or proposals are not received, or if the service is not readily available, or if a specific type of service is required to fit with existing Agency services or procedures, Staff shall note the justification for sole source acquisition as set out in Section 4.

All quotes or proposals will be documented in writing. The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

D. Professional services

Professional services contracts by law do not require bidding, however, the selection of private architectural, landscape architectural, engineering, land surveying or construction project management firms shall be based on demonstrated competence and on professional qualifications necessary for the satisfactory performance of the services required.

For such contracts up to \$35,000, Staff shall solicit written proposals from at least three consultants and, based on proposals received, shall determine which consultant provides

the best value, has demonstrated competence and experience in the type of services required.

For such contracts over \$35,000 up to \$50,000, Staff shall solicit written proposals from at least three consultants and, based on proposals received, shall determine which consultant provides the best value, has demonstrated competence and experience in the type of services required. The General Manager shall report the execution of the contract to the Board.

If at least two proposals are not received, Staff shall note the justification for sole source procurement as set out in Section 4.

All proposals will be documented in writing. The Chief Financial Officer will review all contracts before presenting them to the General Manager for approval.

- E. Emergency contracts as further specified below in Section 4. without advertising for bids and with no limits on amount.
- F. In addition to the authority to execute contracts for goods, maintenance, construction, or professional services as set out in Section 2, the General Manager shall have the authority to approve increases in all such contracts up to 10% of the contract amount. All such changes shall be reported to the Board.
- G. The policies and procedures provided in this Policy are summarized below:

Purchase Limit	Minimum Number of Quotes/Proposals Sought	Form of Quotes/Proposals	Approval Authority
Goods – materials, supplies & equipment			
Up to \$5,000	2 recommended	Verbal/Internet	General Manager
Over \$5,000 up to \$15,000	2	Written	General Manager
Over \$15,000 up to \$35,000	3	Written	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager Inform Board
Over \$50,000	3	Written	Board
Over \$50,000 and for materials, supplies & equipment for use in any new construction or improvement work	Advertise for all bids as provided in Section 3	Written	Board

Services for maintenance or construction work			
Up to \$35,000	3	Written	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager Inform Board
Over \$50,000	Advertise for all bids as provided in Section 3	Written	Board
Other Services			
Up to \$35,000	3	Written	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager Inform Board
Over \$50,000	3	Written	Board
Professional Services			
Up to \$35,000	3	Written	General Manager
Over \$35,000 up to \$50,000	3	Written	General Manager Inform Board
Over \$50,000	3	Written	Board
Emergency Goods and Services			
No limitation	Not required		General Manager but with notice to Board at next meeting

H. All contracts over \$35,000 and up to \$50,000, along with their price, shall be reported to the Board at the earliest practicable time after the contract has been executed.

I. For all contracts over \$50,000, Staff shall solicit written proposals from at least three vendors, and, based on the proposals received, shall determine which vendor provides the best value, except Staff shall follow the procedures for the types of contracts described in Section 3 below. The General Manager shall present his findings to the Board with his recommendations for approval.

Section 3. Bidding and Procurement Procedures for Public Construction Improvements of Work Estimated to Cost more than \$50,000

Where any improvement or unit of work is estimated by the General Manager to cost more than \$50,000 or the procurement of the materials and supplies for use in any new construction work

or improvement will cost exceeds \$50,000, the Agency shall let the contract to the lowest responsible bidder(s) and in compliance with the following bidding procedures and :

- A. The work may be performed in one or more contracts and the call for bids shall state whether the work shall be awarded as a single unit or divided into severable parts.
- 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.
- 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).
- E. Contract(s) with the lowest responsible bidder(s) shall be approved by the Board prior to execution.
- F. For any public works or improvement contracts, the Board shall require the successful bidder(s) to file with the Board for its approval good and sufficient labor and materials and faithful performance bonds in in compliance with Civil Code Section 9000 et seq.
- G. The Board may reject any and all bids and may perform the work by force account or by contracting in the open market or may acquire the materials and supplies in the open market.
- H. In the event no bids are received, the Board may direct the General Manager to rebid the project or may proceed under Section (G) above.
- I. Construction change orders may be approved by the General Manager without prior approval of the Board of Directors in amounts up to 10% of the contract cost. In such a case, the General Manager shall inform the Board of this action at the earliest practicable time. Change orders for more than 10% of the contract price must be approved by the Board of Directors prior to execution.

Section 4. Exceptions

- A. Emergency condition. An emergency is defined as a 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 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.

- B. Limited availability/sole source. 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.
- 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.

Section 5. Review

The Board of Directors will review this policy annually.