

Purchasing Policy

1. **General:** This policy is provided to assist staff in procuring equipment, supplies, and services necessary to carry out the mission of the District. The goal of this policy is to insure that all equipment, supplies, and services required for the operation of the District are available in a timely manner, are procured at the lowest possible cost, and that the purchasing system supports and compliments maintenance of accurate property records, internal control, and financial record keeping. This revised policy is effective January 2, 1997.

2. **Scope** This policy and attendant procedures apply to locating a source, ordering, transportation, receipt, payment, and record keeping for all equipment, supplies, and services resulting in the expenditure of District funds.

3. **Responsibilities:** The General Manager has overall responsibility for insuring that provisions of this policy are followed. Authority for day-to-day operation of the purchasing system is delegated to the Administrative Services Manager who, in turn, may further delegate specific limited purchasing authority and other administrative activities. The Administrative Services Manager is responsible for proposing policy revisions and for staff training regarding purchasing procedures. Questions relating to this policy should be addressed to the Administrative Services Manager.

Division Managers are responsible for insuring that staff members in their divisions adhere to the policies and procedures herein established. They have oversight responsibility to insure purchases are made within budget constraints. Managers are responsible for training members of their divisions on correct purchasing procedures.

All employees requesting purchase of supplies, equipment, or services are expected to be familiar

with this policy and follow the procedures established.

4. **Purchasing Procedures:**

Ordering. Except for the special cases noted below, all purchases for supplies, services, and equipment will be made only with a duly authorized purchase order (PO) signed by the Administrative Services Manager or, in his absence, the General Manager. Staff desiring to make a purchase need only to complete a "working copy" (non-serial-numbered, photocopy) of the District's purchase order form and submit it through the division manager to the Administrative Services Manager. All necessary information including the "ship to" address, if different from the street address, the account number, current and required dates should be filled in by the staff member requesting the item. A complete description including model numbers, colors, sizes, and current price must be stated. All charges for shipping, handling, and taxes must be shown along with the total cost. The division manager should annotate the draft P.O. if appropriate, to indicate the requested items are in the budget, are listed as capital equipment items, or are items or services which are reimbursable from grant funds. The Administrative Services Manager will review the purchase order and either approve it for processing by Support Services staff or return it for further information to the originator or division manager. Written purchase orders are treated as priority jobs within the Administrative Services Division. Support Services will make every effort to complete a final, serial-numbered purchase order and mail the vendor's copy of the order within twenty four hours of receipt of the draft. The pink copy will be distributed to the requestor to confirm that the original was mailed. The yellow copy is forwarded by SS staff to the Accountant.

Special Cases

Prior planning should allow for routine purchase order processing and necessary order-ship

time. When a true emergency exists, staff may request a purchase order number from the Administrative Services Manager in order to place a telephone order.. The work copy of the PO, which should be submitted when the telephone order is placed, should include the following comment, "confirming order, do not duplicate". It is the originators responsibility to call the vendor with the P.O. number.

As an alternative to the telephone order above, Support Services will telecopy (fax) a completed P.O. to the vendor in order to expedite an order and save mail time. The originator must request this on the work copy and include the vendor's fax number. Use of this extraordinary process should be infrequent.

Credit card purchases are possible utilizing a District credit card. The card may be obtained from the Administrative Services Manager or in his/her absence, from the General Manager. The District credit card and all receipts must be turned in the day of purchase or the first business day after the staff member returns to the District, if the purchases were made out of town. Any purchase exceeding \$150.00 will require a P.O. The District's credit card number must not be transmitted via the Internet at any time, given present Internet security conditions.

Gasoline credit cards are located in each vehicle. They are for use by staff to make routine purchases of gas, oil, lubricants, and other supplies and services for maintenance of District vehicles only when traveling away from the Peninsula. They are not to be used for food or purchase of non-automotive products. Receipts should be turned in to the Accountant.

Credit purchases from approved vendors are authorized up to \$ 150.00 when approved by the division manager. Purchases in excess of this amount require a purchase order. Credit card purchases for less than this amount may be documented with a P. O. at the discretion of the purchaser or manager. The Accountant maintains a current vendor list.

Cash purchases for amounts under \$ 50.00 are initiated by requesting a disbursement from

the District's petty cash fund maintained by Support Services staff. A written voucher must be presented when the cash is received. After purchase, the receipt and any unused petty cash must be immediately returned to the Support Services staff.

Purchases Without Authority

Staff members are strongly discouraged from utilizing personal funds for purchase of District supplies and equipment. There is no guarantee that reimbursement will be made for purchases made with personal funds which deviate from standard purchasing procedures. Requests for reimbursement for supplies and equipment purchased with personal funds should be submitted on the appropriate form and must be approved by the division manager and the Administrative Services Manager.

Employees of the District should be cautious not to make or imply commitment to purchase supplies, equipment, or services on the telephone or by mail via "business reply mail", on the Internet or via other marketing practices. When in doubt, consult the division manager or the Administrative Services Division Manager. There is no guarantee that such arrangements will be honored by the District.

Receipt. Shipments of supplies and equipment are normally received by the Support Services staff. Addressees will be notified upon arrival of a shipment. All packages and other material, whether received via mail, UPS, motor freight, or other means, should be inspected for damage by the person preparing the order. Staff should check contents against the shipping document or invoice. Any damage or deviation from the items expected should be handled by the person who placed the order. Support services staff will assist in returning packages to the vendor as required.

Once staff is satisfied that the shipment is complete and in satisfactory condition, the original shipping document or invoice should be annotated "Ok to Pay", initialed by the person who placed

the order, and returned to the Accountant. On the other hand, if for some reason, the item is on back order, or the shipment is not satisfactory, the originator should notify the Accountant immediately to preclude payment prior to receipt of the complete purchase.

Payment. When approval from the ordering staff member to pay for the purchase is received, the Accountant will file the approved invoice until a statement from the vendor is received. At that time, the Accountant will process the statement and schedule a check for preparation at the next semi-monthly check writing. A check payable to the vendor will be prepared, signed, and mailed.

5. **Purchasing by use of bids:** For major purchases, the District will employ a formal bid process whereby vendors are asked to submit formal written bids for provision of certain equipment or services. This process is governed by Section 118-491 through Section 118-494 of the State of California Water Code (the District's enabling legislation) and applicable sections of the State of California Administrative, Civil, Public Contract, Government, Streets and Highways codes and other law. With respect to question of whether bids are necessary, the District is required to seek bids for procurement of equipment and works if the total expenditure is ~~\$5,000~~ ^{# 10,000} or more. Typically, our consultant contracts do not fall into the category of works as defined in the California Code and therefore bids are not strictly required. Staff is encouraged to consult with District Counsel in this matter prior to taking action. ^{eff. 11/1/99}

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The following steps are included in this process:

- Preparation of a Request for Proposal (RFP)
- Advertisement of Call for Bids
- Receipt of bid documents
- Public opening of bid documents

Evaluation of bids

Award of bid

Staff handling bids for services are cautioned to be mindful of any action which might give the appearance of favoritism toward any prospective bidder. Questions regarding process or procedures should be brought to the attention of the Administrative Services Manager or District Counsel.

Following the award of bid, a contract for services or a purchase order for equipment will be prepared in accordance with the provisions of this policy.

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MPWMD Purchasing Process

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