NORTH MARIN WATER DISTRICT

BOARD POLICY: PURCHASING POLICY
BOARD POLICY NUMBER: 9

Original: March 1975
Last Reviewed: 11/19/13
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Section I SCOPE AND PURPOSE

This policy establishes the procedures governing the acquisition of materials, services and equipment by North Marin Water District. The purpose of this policy is to establish efficient procedures for the purchase of supplies, materials or services for the District at the lowest reasonable cost commensurate with long term reliability and consistent interchangeability, within the limitations required, (i.e., time and/or price); to exercise positive financial control over purchases; to define authority for the purchasing function and to encourage full and open competition on purchases.

Section II PURCHASING AGENT AND PURCHASING ASSISTANTS

The Auditor-Controller shall act as Purchasing Agent for the District.

Each Department Head will designate at least one Purchasing Assistant for that Department. The Department Head will define areas of purchasing authority for Purchasing Assistants and shall meet with the Purchasing Assistants at least once each year to review said areas of authority to avoid overlap or duplication. The duties of the Purchasing Assistants may be combined with those of any other position with the exception of the Accounting Clerk. Department employees not formally designated as Purchasing Assistants may act in that capacity for purchase of non-inventory or specialty items at the direction of the Department Head.

Subject to the direction, control and concurrence of the General Manager or his/her authorized representative, Purchasing Assistants shall have the authority to negotiate and recommend execution of purchase orders for supplies, materials or services required by the District, and to keep informed on price, market conditions and new products in the areas where they execute purchasing authority. With general guidance from the District's Auditor-Controller, Purchasing Assistants will maintain such forms, lists and records as are reasonably necessary to meet the purchasing requirements of the District. The Administration Department shall prepare purchase orders.

Section III STANDARDS COMMITTEE

The Standards Committee shall consist of all Department Heads. The duty of this committee is to evaluate quality and performance of construction supplies and materials and to make recommendations to the Purchasing Assistants, in writing, for acceptance or rejection of the proposed item. The committee shall meet whenever any member feels it is necessary for evaluation of new materials, devices and/or equipment, or to discuss problems regarding material and/or devices already in use. The Chief Engineer shall convene Standards Committee meetings at least twice each year.

Section IV PURCHASING PROCEDURES

A. General - All requests for purchase of materials, supplies, equipment or services with a cost in excess of $500 shall be submitted to the Administration Department on a Purchase Request Form. Before submittal, such form shall first be reviewed and approved by the appropriate Department Head. The process to be followed is shown on the attachment entitled Flow Chart of Purchasing Responsibility.

B. Follow-up and Order Tracing - Once award is made or order is placed, the assigned Purchasing Assistant shall have the responsibility for contact between the District and the vendor for order follow-up or order tracing.

C. Specifications - It will be the responsibility of the Chief Engineer, or his/her representative, to compile and write specifications for waterworks materials to be purchased by the District.

D. Contract Purchases - It will be the responsibility of the Department Head, or his/her representative, to comply with the procedure for purchases over $30,000 pursuant to paragraph H of this section.

E. Vendor Lists - Each Purchasing Assistant shall maintain lists of vendors of materials, supplies, equipment and services which are commonly used and are within his/her assigned area of authority. The Administration Department will maintain a master list of vendors.

F. Material List - Purchasing Assistants shall maintain lists of approved materials and supplies and the specifications thereof. The Standards Committee shall evaluate the quality and performance of materials and supplies; the Purchasing Assistants shall evaluate price and availability.

G. Specification and Brand or Trade Name - No invitation to bid shall specify a material or supply brand or trade name unless the specification lists at least two brands or trade names of comparable quality and utility and is followed by the words "or equal." Sole source procurement shall be authorized where it is necessary to provide for interchangeability of spare parts and/or compatibility with the existing installed equipment. Where only one brand or trade name is known, then it must be specified to define the minimum quality level. A specific brand may be purchased to test its suitability or if required to match others in use.

H. Procedure for Purchases Over $30,000 (Sealed Bids) - When the estimated expenditure for a purchase exceeds $30,000 ($40,000 for consumables – i.e., inventoried waterworks materials and water purification chemicals) including taxes, delivery and contractor set-up charges, the purchase will be contracted for and let to the lowest responsible bidder after notice inviting bids and the opening of sealed bids at a fixed time and place. The District may at its discretion reject any or all bids received. The District may re-advertise for bids. The bidding procedure need not be followed in any of the following circumstances:

(1) If, after Notice Inviting Bids, none are received,

(2) If an item to be purchased is available from only one supplier,

(3) If there is an emergency and the General Manager, or his/her designated representative, determines that the requirements of the District will not allow sufficient time to invite and open sealed bids. In such situations, the General Manager, or his/her designated representative, will follow procedures within the limitations of time as shall best achieve the intent of this regulation.

I. Procedure for Purchasing Under $30,000 ($40,000 for consumables)

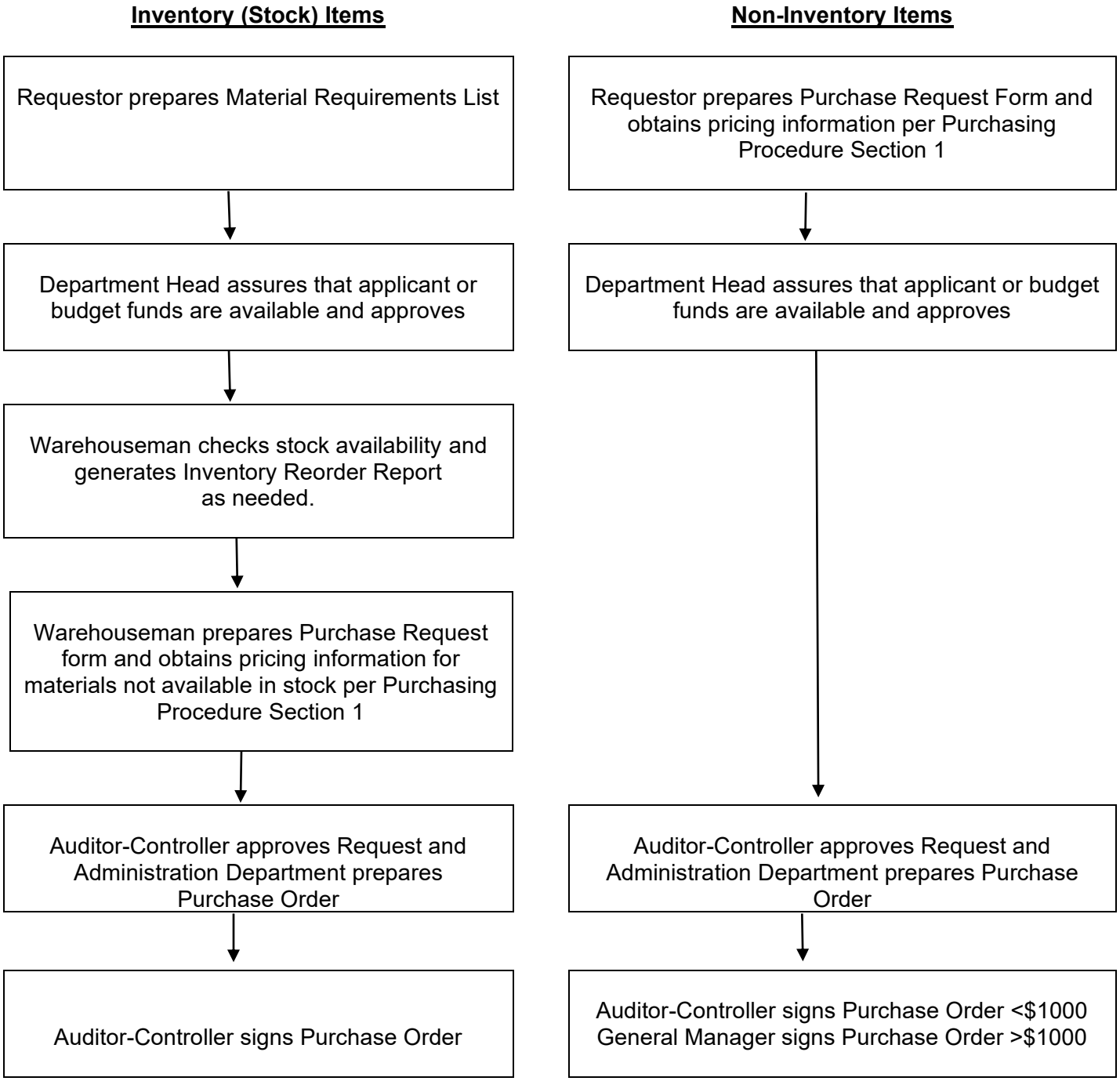
(1) Purchases under $500 - No competitive quotation is required; however, quotes shall be obtained on unfamiliar material to ensure relative cost and availability. Purchasing Assistants shall notify their Department Head of all purchases under $500 within 24-hours of said purchase.

(2) Purchases $500 - 30,000 ($40,000 for consumables) - Three or more documented quotations may be obtained at the discretion of the Purchasing Agent.

J. Purchase Orders - Final Oversight - Purchase orders shall be reviewed and approved by the Auditor-Controller and the General Manager. If there is an emergency and the Department Head, or his/her designated representative, determines that there is not enough time to fully comply with this policy, the Department Head, or his/her designated representative, will follow procedures within the limitations of time as shall best achieve the intent of this regulation. The Department Head shall provide a written report to the General Manager concerning the emergency purchase within two working days after said purchase.

Flow Chart Of Purchasing Responsibility

Purchase of materials and equipment shall follow the general path as shown below:



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