

RESOLUTION NO. 2012-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT ESTABLISHING POLICIES, PROCEDURES, AND REGULATIONS GOVERNING THE PURCHASE OF SUPPLIES AND EQUIPMENT PURSUANT TO ORDINANCE NO.1985-1

WHEREAS, Government Code section 54202 provides that every local agency shall adopt policies and procedures, including bidding regulations, governing purchases of supplies and equipment by the local agency, and that purchases of supplies and equipment by the local agency shall be in accordance with said duly adopted policies and in accordance with all provisions of law governing same, and that no policy, procedure, or regulation shall be adopted which is inconsistent or in conflict with statute; and

WHEREAS, Ordinance No. 1985-1 of the Oceano Community Services District sets forth in general terms procedures for purchasing supplies and equipment; and

WHEREAS, the Board of Directors of the Oceano Community Services District desires to implement clear and comprehensive policies and procedures governing the purchase of supplies and equipment;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE AND ORDER AS FOLLOWS:

The Policies, Procedures and Regulations Governing The Purchase Of Supplies And Equipment By The District Pursuant To Ordinance No. 1985-1, attached hereto as Exhibit A, are hereby approved and adopted as the purchase policies and procedures to be followed by the Oceano Community Services District pursuant to District Ordinance No. 1985-1.

Upon the motion of VP Lucey seconded by Director Hurdle and on the following roll call vote, to wit:

AYES: VP Lucey, Director Hurdle, Director Angello, Director White, President Guerrero
NOES: None.

The foregoing is hereby adopted this 26th day of September, 2012.

Matthew Guerrero, President,
Oceano Community Services District Board of Directors

ATTEST:

Thomas Geaslen
Secretary to the Board

EXHIBIT A TO RESOLUTION NO. 2012-14

POLICIES, PROCEDURES AND REGULATIONS GOVERNING THE PURCHASE OF SUPPLIES AND EQUIPMENT BY THE DISTRICT PURSUANT TO ORDINANCE 1985-1

Section 1 - Purpose

The purposes of this policy are to standardize the purchasing procedures of the Oceano Community Services District (District), thereby securing for the District the advantages of a centralized and uniform purchasing policy saving the ratepayers money and increasing public confidence in the procedures for District purchasing; to ensure that the purchasing policy set forth in District Ordinance No. 1985-1 is applied in a consistent and fair manner; and to set forth the duties and responsibilities of the General Manager relating to the purchase of supplies and equipment.

Section 2 - Applicability

The following policies and procedures shall apply to all District purchases of supplies and equipment pursuant to District Ordinance No. 1985-1, except as otherwise specified herein.

Section 3 - Purchasing Agent

The OCSD General Manager shall act as the Purchasing Agent for the District in connection with obtaining materials, supplies and services.

Section 4 - Purchasing Limits

The following policies and procedures shall apply to District purchases of supplies and equipment in excess of the maximum allowable by the State.

Section 5 - Board Approval

Except as otherwise specifically set forth herein a majority of the District Board of Directors must approve any purchase subject to these policies and procedures prior to the award of any contract or issuance of any purchase order.

Section 6 - Informal Quotations and Bids

Purchases of supplies and equipment with an estimated cost less than twenty thousand dollars (\$20,000) may be made upon informal quotations or bids. The Purchasing Agent shall seek the most favorable terms and price through informal competitive pricing or competitive bidding, whichever method the Purchasing Agent deems the most appropriate under the circumstances. The Purchasing Agent shall attempt to obtain at least three written quotations for each item purchased pursuant to this section.

Section 7 - Formal Bids

Purchases of supplies and equipment with an estimated cost in excess of twenty thousand dollars (\$20,000) shall, whenever feasible and practical under existing conditions and circumstances, be made by Formal Bid and with the vendor who submits a proposal that most closely meets the District's specifications with the consideration of price and delivery dates. Formal Bid means a written quotation obtained in a sealed envelope from a qualified vendor in response to a direct District solicitation, public announcement (posted in at least three locations within the District), or published advertisement (published at least one time in a newspaper of general circulation), whichever method shall be determined by the Purchasing Agent to best assure that the proposed purchase is made from the lowest

responsive and responsible vendor. Any notice inviting bids shall include a general description of the item(s) to be purchased, shall state where bid blanks and specifications may be secured, and the time and place for opening bids. Formal Bids shall be opened at a specific day, place, and time, as determined by the Purchasing Agent and set forth in the solicitation for bids. The Purchasing Agent shall keep a record of all Formal Bids submitted, and such record shall be open to proper inspection by any interested party within a reasonable amount of time.

Section 8 - Rejection of Bids

The District Board of Directors shall have the authority to reject any and all bids received in response to a District request therefore. The Board may also, but is under no obligation to, waive a minor irregularity in the bidding process or in any bid that does not give an unfair advantage to another bidder.

Section 9 - Alternative Procedure

As an alternative to the procedure for Formal Bids set forth above, the District Board of Directors may approve the purchase of supplies and equipment by accepting a proposal submitted by a vendor to another public agency for similar equipment and/or supplies upon Resolution of the District Board of Directors making the following findings:

- 1) The other public agency's procedures for the purchase were substantially similar or more stringent than the District's procedures as set forth herein;
- 2) The supplies or equipment to be purchased by the District are substantially similar to the supplies or equipment purchased by the other public agency, so that the submitted proposals would be responsive to the District's specifications; and
- 3) The proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

Section 10- Non-Competitive Negotiations

Procurement of supplies and equipment may be effected through solicitation of a proposal from only one source in limited situations when the award of a contract is not feasible under the other methods and when said purchase is approved by Resolution of the District Board of Directors making the following findings:

- 1) The purchase price is reasonable; and
- 2) One or more of the following conditions exists:
 - a) The product is the only one that will properly meet the needs of the District because the item is unique and is either 1) available only from a sole source, or 2) designed to match others used in or furnished to a particular installation, program, facility or location.
 - b) Public exigency or emergency will not permit delay.
 - c) Competitive bidding would fail to produce an advantage and/or advertisement for competitive bidding would be undesirable, impractical, or impossible.

Section 11- Used Equipment

In the case of the purchase or contract for used supplies, materials or equipment, the Purchasing Agent is not required to comply with the policies and procedures set forth above. However, when the used supplies, materials or equipment are valued in excess of twenty thousand dollars (\$20,000), the Purchasing Agent shall file a report with the District Board of Directors justifying the purchase or contract for the used supplies, materials or equipment, and shall obtain approval of a majority of the

District Board of Directors prior to the purchase or entering into the contract for the used supplies, materials or equipment.

Section 12 - Emergencies

In the case of an emergency, which is so urgent as to preclude any solicitation of bids and/or advance action by the District Board of Directors, the Purchasing Agent may secure in the open market at the lowest obtainable price, any supplies, materials or equipment needed. This emergency authority shall extend to all purchases, irrespective of cost. In all instances a full written explanation of the emergency circumstances shall be filed with the District Board of Directors.

Section 13 - Board Approval of Contract

If the purchase of supplies or equipment pursuant to these policies and procedures requires the execution of a formal contract, such contract shall be approved by the District Board of Directors and executed by the President of the Board of Directors.

Adopted September 26, 2012