

Truckee-Donner Recreation and Park District Policy Handbook

POLICY TITLE: Expense Authorization
POLICY NUMBER: 303

303.01 Purpose of Purchasing System

The purpose of the Purchasing System is to establish efficient procedures for the purchase of services, supplies and purchase and/or lease of equipment at the lowest possible cost commensurate with quality needs, to exercise positive financial control over purchases, to clearly define authority for the purchasing function, and to assure the quality of purchases.

303.01.03 Scope of Chapter

The procedures established by this chapter shall apply only to the purchase of supplies, equipment and services, and shall not apply to public projects as defined in Section 20161 of the California Public Contracts Code.

303.01.05 Purchasing Agent

The position of District General Manager (DGM) shall have general supervision and final responsibility of the purchasing system. The DGM shall have the authority to:

- (a) Establish Purchasing Rules and Regulations for the internal management and operation of the purchasing system and such other rules and regulations;
- (b) Recommend execution of contracts for the purchase of supplies and equipment;
- (c) Ensure the needed quality in supplies and equipment are purchased at the least expense to the District;
- (d) Discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases;
- (e) Prepare and recommend to the Board of Directors rules governing the purchase of supplies and equipment for the District;
- (f) Prepare and recommend revisions and amendments to the purchasing rules;
- (g) Keep informed of current developments in the field of purchasing, prices, market conditions and new products;
- (h) Prescribe and maintain such forms as are reasonably necessary for the operation of this chapter and other rules and regulations;
- (i) Ensure the proper inspection of all supplies and equipment purchased and that they are in conformance with specifications;
- (j) Recommend the transfer of surplus or unused supplies and equipment between departments as needed;
- (k) Maintain a list of vendors and records needed for the efficient operation of the purchasing division.

303.01.07 Purchasing Regulations

The DGM shall be responsible for determining that the regulations and procedures in Policy Handbook No. 303 are properly enforced.

303.01.09 Purchasing Authority

The District General Manager, with approval by the Board of Directors is authorized to execute any such personal, professional or consulting service or other contractual services and to authorize the purchase of any supplies or equipment in the amount less than the amount specified by Board of Director decision for formal bids, within budget authority. All other such contracts shall be approved by the Board of Directors; giving the District General Manager authority to sign the contract. The District General Manager shall provide authority to Superintendents, as “department purchasing agents” to make purchases through their staff according to this ordinance and the Purchasing Rules and Regulations.

The Board provides authority to the District General Manager or his assignee to sign disbursements for payroll checks and for payment of vendor invoices in accordance with this policy. Check registers for payroll and accounts payable will be presented to the Board for review and approval of all disbursements.

303.01.11 Department Purchasing

The District General Manager may authorize any department to purchase specified supplies and equipment. Such purchases shall be made in conformity with the procedures established by this policy and shall be in accordance with budget authority.

303.13 Purchase Orders

Purchases of supplies and equipment shall be made by purchase orders when supplies and equipment cost exceeds the amount specified for purchase orders and is less than the amount requiring Board of Directors approval as specified in the District’s Purchasing Rules and Regulations. This cost will include shipping, but will not include sales taxes. Except as otherwise provided herein, no purchase order shall be issued to a vendor unless the prior approval of the purchase order has been obtained, see 303.13.50 for requirements of purchase orders.

303.13.10 Blanket Purchase Orders – Cumulative Purchases

Where individual purchases to a vendor may or may not require a purchase order, but where cumulative purchases in a fiscal year to a vendor is in excess of the amount specified for purchase order or approval by Board of Directors decision, and a contract and/or other authority has not been approved by Board of Directors:

1. If the estimated cumulative purchases are less than the amount requiring Board approval a blanket purchase order is authorized up to the maximum authorized for purchase orders.
2. If the estimated cumulative purchases are more than the amount requiring Board approval Board of Directors must approve in advance a “not to exceed” amount. When a “not to exceed” amount has been approved, creation of a blanket purchase order is authorized.

303.13.12 Bidding

Purchases of supplies and equipment shall be by bid procedures pursuant to 303.13.15 through 303.13.46. Bidding for Public Projects, as defined, shall be bid according to Section 20161 of the California Public Contracts Code. Bidding may be dispensed with only under conditions stated in 303.13.52.

303.13.15 Formal and Informal Bid Amounts

1. Board of Directors shall specify, by Board decision, the amount requiring formal and informal bids. Purchases of supplies and equipment of an estimated value specified by Board of Directors for formal bids or more shall follow the formal bid procedures stated below at 303.13.17 through 303.13.35. The amount requiring formal bids are specified in the District's Purchasing Rules and Regulations. Bidding for public projects is regulated by Section 20161 of the California Public Contracts Code unless otherwise ordered by Board of Directors.
2. Purchases of supplies and equipment of an estimated value less than the amount specified by Board of Directors Board decision for formal bids may be made on the open market using the informal bidding procedures set forth below in 303.13.42;
3. Provided, however that all bidding may be dispensed with for purchases of supplies and equipment that have a total estimated value of \$1,000, or less. Such purchases may be made on an annual or periodic basis. Purchases from \$1,000 to the amount requiring a purchase order, are bid informally and do not require documentation.
4. Fuel purchases may be made on an informal basis even if the amount specified by Board of Directors Board decision for formal bids limitation is exceeded.

303.13.17 Notice Inviting Formal Bids

Notices inviting formal bids shall include, but not limited to, the following:

1. A general description of the item(s) or service(s) to be purchased, or the public work to be constructed or improved (see Section 20161 of the California Public Contracts Code);
2. The location where bid blanks and specifications may be secured;
3. The time and place assigned for the opening of sealed bids;
4. The type and character of bidder's security required, if any; and
5. The location and deadline for submission of bids.
6. Any other information that may be helpful in choosing the contractor most suited for the supplies, services or equipment.

303.13.19 Notice for Formal Bids

Notices inviting formal bids shall be published at least ten days prior to the date of opening the bids. Notices shall be published at least once for non-public projects and at least twice, not less than five days apart, for public works projects (see **Section 20161 of the California Public Contracts Code**) on the District's website, in a local newspaper and/or other appropriate publications.

303.13.21 Bid Vendor List

The department purchasing agent shall also solicit formal sealed bids from responsible suppliers, or who have made written request that their names be added thereto.

303.13.23 Bidder's Security

Where deemed necessary by the DGM, formal bids shall be accompanied by security, either cash, cashier's check, certified check or surety bond, in a sum equal to ten percent of the total aggregate of the bid, and shall be designated in the notice inviting bids. The DGM has authority to reduce the requirements for bidder's security based on the type of project. Bidders shall be entitled to return of bid security; provided, however, that a successful bidder shall forfeit the bid security upon refusal or failure to execute the contract within ten days after the notice of award of contract has been mailed, unless the District is solely responsible for the delay in executing the contract. The Board of Directors may, on refusal or failure of the successful bidder to execute the contract, award it to the next lowest responsible bidder who is willing to execute the contract, or may reject all bids and re-advertise.

303.13.25 Other Formal Bond Requirements

Where deemed necessary by the DGM a faithful performance bond and labor and material bond shall be required for all public projects, unless waived by the Board of Directors, in an amount reasonably necessary to protect the best interests of the District. In addition, the Board of Directors shall have authority to require a faithful performance bond or other bonds before entering into a contract other than a public project contract. If bonds are required, the form and amount thereof shall be designated in the notice inviting bids.

303.13.27 Formal Bid Opening Procedure

Sealed bids shall be submitted to the District Clerk's office and shall be identified with the published title of the request for proposal on the envelope. The DGM, or department designee, shall publicly open all bids at the time and place stated in the public notices. A tabulation of all bids received shall be available for public inspection in the District Clerk's office during regular business hours for a period of not less than 30 calendar days after the bid opening.

303.13.29 Rejection of Formal Bids

In its discretion, the Board of Directors may reject any and all bids presented and may cause re-advertising for bids pursuant to the procedure herein prescribed. However, when all bids exceed the authorized budgeted amount, the District General Manager may authorize rejection of all bids and authorize re-bidding based upon the original specifications or as they may be modified, in accordance with procedures prescribed herein.

303.13.31 Award of Formal Bid Contracts

Except as otherwise provided herein, formal bid contracts shall be awarded by the Board of Directors to the lowest responsible bidder. The determination of "lowest responsible bidder" shall be at the discretion of the Board of Directors pursuant to findings and recommendations presented by the department purchasing agent at the time of award of contract.

303.13.33 Tie Formal Bids

If two or more formal bids received are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit the delay of re-advertising for bids, the Board of Directors may in its discretion accept the one it chooses or accept the lowest bid made by and after negotiation with

the tie bidders at the time of the bid opening or award of contract.

303.13.35 No Formal Bids

When no formal bids or no responsive bids are received, the department purchasing agent is authorized to negotiate for written proposals, and make recommendation to the DGM and the award, if any, shall be made in accordance with applicable provisions prescribed herein. A responsive bid is defined as a bid which conforms in all material respects to the terms and conditions, the specifications and other requirements of the invitation for bid/request for proposal.

303.13.37 Protest Procedure

Upon award of a bid under the provisions of this Chapter, only a person or entity who or which submitted a bid in compliance with this Chapter in the same proceeding will have standing to challenge the award of bid or the procedures used in bid evaluation. Any such challenge must be filed within ten days of the award with the District Clerk. The DGM shall review the protest and provide a written determination regarding its validity to the authority awarding the bid. If the challenger wishes to continue to pursue the matter an appeal of the DGM's decision must be filed with the District Clerk in the form required by the Clerk and accompanied by an appeal fee deposit equal to the estimated costs of processing the appeal.

The appellant shall additionally execute an agreement holding harmless, indemnifying, and defending the District, its officials, agents, and employees from any and all liabilities and costs arising from a granting of the appeal, including but not limited to the District's reasonable attorney fees and costs in defending litigation seeking to reverse decisions of the District with regard to the appeal and any increase in project costs which result from the proceeding. The District may, at its discretion, require security in the form of bonds, letters of credit, or cash from the appellant to insure performance of the agreement.

The appellant and awarded bidder shall be provided with written notice of a hearing on the appeal before the awarding authority. The hearing shall be conducted under rules adopted by the awarding authority for that purpose. The awarding authority shall issue a final decision in writing within ten days after the conclusion of the hearing.

Failure to file a timely appeal under the conditions specified herein, or otherwise comply with the provisions of this section, shall constitute a waiver of the right to challenge the bid award.

303.13.40 Informal Bid

Purchases of supplies and equipment of an estimated value in the amount specified by Board of Directors Board decision for contract awards on the open market, or less, may be made in the open market pursuant to the procedures set forth below.

303.13.42 Informal Bid Procedure

1. Purchases shall, wherever possible, be based on at least three informal bids, and
2. Shall utilize "Green Recycle/Reuse" as stated in the 303.13.86, Recycled Product Procurement Policy contained in 303.13.86, and
3. Award of bid shall be awarded to the bidder offering the most advantageous bid to the District after consideration of price, quality, durability, servicing, delivery time, standardization, and other factors as listed in 303.13.50.
4. A purchase order shall be submitted for approval of bid to the DGM as required in the Purchasing Rules and Regulations, unless a contract is executed.

303.13.44 Rejection of Informal Bids

Informal bids may be rejected by the department purchasing agent which fail to meet the specific purchase requirements in any respect; or all quotations, for any reason whatsoever, and may invite new quotations.

303.13.46 Notice Inviting Informal Bids

The department purchasing agent shall solicit informal bids by written requests to prospective vendors, or by telephone, or by public notice posted on the District website.

303.13.48 Record of Informal Bids

The District Clerk shall keep a written record of all informal bids, with the purchase order, for a period of two years. This record, while so kept, shall be open to public inspection.

303.13.50 Award of Purchase Orders

1. Authorized Amount: If two or more quotations are received for the same total amount or unit price, quality and service being equal, and if, at the discretion of the department purchasing agent, the public interest will not permit the delay of inviting new quotations, then the department purchasing agent may accept the lower quotation obtained through negotiation with the persons submitting the tie quotations;
2. If no quotations are received subsequent to solicitation of such, the department purchasing agent may make the required purchase without further notice.

303.13.52 Exceptions to Competitive Bidding Requirement

Notwithstanding any provision of this chapter to the contrary, the competitive bidding provisions of this code may be dispensed with when:

1. The estimated amount to be expended is less than that required for a purchase order to be used.
2. Contracts for professional services provided however, that a request for proposals process for such services shall be used when there are three or more companies to choose from, where such services can vary by company and there is time for the bidding process prior to the needed services.
3. Contracts which by their nature do not lend themselves to award by competitive bidding such as, but not limited to:
 - a) Repairs and/or maintenance of equipment which requires unique skills, abilities, or training.
 - b) Equipment which must be used in order to be compatible with existing District equipment.
 - c) Perishable goods.
 - d) Insurance where obtaining broker quotes is impracticable.
 - e) Computer hardware, software, and licenses which are uniformly priced or have a standard governmental price.
 - f) Supplies, materials or equipment which can be obtained at a favorable price as a result of other governmental purchasing programs.
 - g) District retirement plans or other contracts at the direction of the Board of Directors by resolution.
 - h) An emergency is found to exist and documented by the awarding authority which precludes use of the customary bidding process.
 - i) Such other circumstances as the Board of Directors may determine and document that will result in cost savings greater than those which would result from the use of the customary bidding process.

303.13.70 Surplus Supplies and Equipment

All departments with fixed asset inventories shall review their inventory list and submit to the Accounting Department, at such times and in such forms as prescribed, reports showing all supplies and equipment which are no longer used or which have become obsolete and worn out.

303.13.72 Surplus Supplies -- Trade-ins

The DGM shall have authority to exchange for or trade in on new supplies and equipment all supplies and equipment which cannot be used by any department or which have become unsuitable.

303.13.74 Surplus Supplies -- Sale.

The DGM shall have authority, subject to approval of the Board of Directors, to dispose of surplus supplies or equipment by auction or by sale or otherwise after receiving bids or proposals which provide the maximum return to the District. District employees or officers may participate in the purchase of surplus supplies and/or equipment on the same basis as other members of the general public; provided, however, there is no direct bid involvement or conflict of any kind.

303.13.76 Conveying Surplus Personal Property to Charitable, Nonprofit Organizations

Notwithstanding the other provisions of this article, the Board of Directors may convey to charitable, nonprofit organizations surplus property as it is determined by the Board of Directors that the use to which the personal property will be for the benefit of the general welfare of the community in matters such as recreation, education, aid to the destitute, town beautification, or any other activity in which the District government may legitimately participate. The Board of Directors authorizes the General Manager to convey to charitable, nonprofit organizations surplus property where the value of an individual item is \$1,000 or less and which meets the aforementioned criteria relative to community benefit.

The organization accepting such personal property shall sign a statement that accepts such property on the condition that it will be used for the purpose designated by the TDRPD; that it shall not be used for any other purpose without the permission of the TDRPD; and that if such property is ever diverted to other than a charitable use, the TDRPD may reclaim such property.

303.13.80 Credit Card Purchases

Purchases with credit cards shall be for gasoline, travel expenses, training seminars and for supplies or services that will not be billed by a vendor. These purchases shall be made by personnel authorized to use the credit card to make purchases within the department approved budget. The operational policy, as established in the Purchasing Rules and Regulations, for the use of all credit cards shall be utilized.

303.13.82 Rule for Non procurement, suspension and debarment from Federal Contracts

Prior to contracting for services on projects utilizing Federal Funds the non procurement, suspension and debarment list provided by the Federal Government according to 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, Rule for Non procurement suspension and debarment shall be reviewed to verify the contractor is not included in the list.

303.13.84 Requirements by Other Governmental Agencies and Granting Authorities

Prior to contracting for services or purchasing equipment and material which is to be funded by grant or other governmental authority the rules required under the funding agreement will be reviewed and followed to ensure proper compliance with requirements such as prevailing wage.

303.13.86 Recycled Product Procurement Policy

1. It is the intent of the Board of Directors, that by this Green Procurement and Sustainable Practices Policy the TDRPD take a leadership role not only in recycling its waste products but also in the purchase of recycled products for use in the delivery of district services.
2. It is the purpose of this section to provide direction in the procurement and use of recycled products unless such products do not perform satisfactorily and/or are unreasonably expensive and/or conflicts with an existing District policy. For the purpose of this section, recycled materials are defined as any materials (e.g., glass, paper, plastic, etc.) that are separated by type, reprocessed by industrial methods, and used as raw materials for the manufacture of new products.
3. It is the policy of the TDRPD to purchase and use recycled products whenever possible to the extent that such use does not negatively impact health, safety, or operational efficiency and to encourage the purchase of products which can be recycled or reused. The priority for purchasing recycled content products shall be as follows:
 - a. The highest percentage of recycled content of post-consumer recovered material available in the marketplace; and
 - b. The highest percentage of “pre-consumer recovered material,” available in the marketplace.