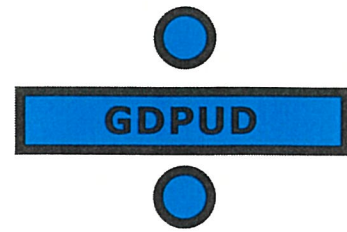


NEW BUSINESS  
ITEM 9.C.

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JANUARY 12, 2021  
AGENDA ITEM NO. 9.C.**



**AGENDA  
SECTION:**

**NEW BUSINESS**

**SUBJECT:**                    **Discussion of Charter for a Finance Committee /  
Consideration of the addition of other Committees**

**PREPARED BY:**            Jeff Nelson, Interim General Manager

**APPROVED BY:**           Jeff Nelson, Interim General Manager

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**BACKGROUND**

The governing body ("Board") of the Georgetown Divide Public Utility District ("District") is authorized to appoint a Finance Committee. The primary role of the Committee is to provide recommendations to the Board in response to proposals made by staff on matters related to the District's finances. The Committee is advisory in nature and reports and is responsible to the Board. The Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board or the District.

The District memorialized the membership, duties, and responsibilities of the Finance Committee most recently through Resolution 2018-14.

**DISCUSSION**

During the April 14<sup>th</sup>, 2020 Regular Board meeting, the Board of Directors voted to suspend the Finance Committee until further notice.

When the Finance Committee was active, District staff typically prepared and posted regular (usually monthly) Finance Committee agendas, coordinated and participated in Finance Committee meetings, responded to requests for detailed financial information from the Finance Committee, and regularly met with Finance Committee members to respond to questions regarding the information provided by staff.

At the December 8, 2020 Board Meeting, Director Garcia requested to have a Board discussion about reestablishing a Finance Committee, as well as the addition of other committees.



### **FISCAL IMPACT**

Before the Finance Committee was suspended in April 2020, the estimated financial impact to the District for have staff to interact with the Finance Committee was estimated to be approximately 10 hours per month by the District Management Analyst (Christina Cross), 6 to 8 hours a month by the District Accounts Payable administrator (Kelly Molloy), and 6 to 8 hours a month by the General Manager. While the magnitude of the impact is hard to estimate at this time, any expansion of the Finance Committee's roles and responsibilities will likely increase the amount of time District staff spend interacting with the Finance Committee.

### **CEQA ASSESSMENT**

Not a CEQA Project.

### **RECOMMENDED ACTION**

Staff recommends the Board of Directors give Staff direction on this agenda item after the Board completes the discussion. Additional possible actions include adoption of a new Finance Committee Charter, and/or, provide information for a new Finance Committee Policy.

### **ATTACHMENTS**

1. Resolution 2018-14 – Role and Responsibilities of the Finance Committee
2. Revised Resolution 2018-14 – Role and Responsibilities of the Finance Committee, submitted by Director Garcia

AGENDA ITEM 9.C  
ATTACHMENT 1  
RESOLUTION 2018-14

**RESOLUTION NO. 2018-14**

**OF THE BOARD OF DIRECTORS OF THE  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
PROVIDING ROLE AND RESPONSIBILITIES OF THE FINANCE COMMITTEE**

**WHEREAS**, the Georgetown Divide Public Utility District ("District") Board of Directors ("Board") previously memorialized the membership, duties, responsibilities, and other matters pertaining to the Finance Committee through Resolution 2017-25; and

**WHEREAS**, the Board seeks to rescind and replace Resolution 2017-25 to modify the role and responsibilities of the Finance Committee; and

**WHEREAS**, the Finance Committee will assist the Board in the review of financial information of the District and make recommendations to the Board for actions related to the District's finances and budgeting; and

**WHEREAS**, the Board finds it to be in the best interest of the public to establish the Finance Committee's role as set forth herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

**SECTION 1:** Resolution 2017-25 is hereby rescinded and replaced with this Resolution 2018-11. and shall be of no further force or effect following the Board's adoption of this Resolution 2018-11.

**SECTION 2.** The Finance Committee ("Committee") shall be created as follows:

1. **Membership; Quorum.** The Committee shall be composed of no fewer than three (3) and no more than seven (7) members. A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee.
2. **Selection of Committee Members.** The policy for selecting Committee members is shown in "*Exhibit A.*" which is attached hereto and incorporated herein by reference as if set forth in full.
3. **Role of the Committee.** The primary role of the Committee is to provide recommendations to the Board of Directors ("Board") in response to proposals made by staff on matters related to the District's finances. It shall be the responsibility of the Committee to:
  - a. Review annual operating budget proposed by staff and make recommendations to the Board.
  - b. Review long-range strategic financial planning proposed by staff and make recommendations to the Board.

- c. Review the audited annual financial statements and make recommendations to the Board.
  - d. Monitor District financial reports and investments and make any recommendations to the Board as requested by the Board.
  - e. Present all Committee identified financial goals and proposals to the Board for approval.
4. **Meetings.** The Committee shall meet at least quarterly, and more often if needed or requested by the Board. Meetings shall be held at the District's offices. The Rules of Operating Procedure are shown in "*Exhibit B.*" which is attached hereto and incorporated herein by reference as if set forth in full.
  5. **Terms.** The terms of the office shall be two (2) years. Committee members may be re-appointed to subsequent terms.
  6. **Vacancies.** Any vacancies shall be filled for the unexpired term by the Board of Directors.
  7. **Removal.** All Committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the Board. There shall be no requirement to show cause for removal.
  8. **Officers.** The Committee shall designate from among its members a Chair, Vice- Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence the Vice-Chair shall preside. If both the Chair and the Vice-Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Secretary (or another member if the Secretary is absent) shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy of all minutes to the General Manager or designee. Items needing Board action shall be transmitted as soon as possible to the General Manager or designee for inclusion on the next available Board agenda.
  9. **Advisory Nature of the Committee.** The Committee is advisory in nature and shall report and be responsible to the Board of Directors. The Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board and/or the District.
  10. **Board Reports.** The Committee shall report on its activities to the Board at least quarterly, and more often if needed or requested by the Board. The Board Report can be either oral or written and shall include a description of the activities of the committee for the preceding period and any on-going or outstanding activities or tasks. Committee meeting minutes can be used to satisfy this requirement.
  11. **Board Liaison and Staff Support.** The Committee shall have the following Board and/or staff members to assist it with its work from time to time as may be necessary or



desired by the Committee and/or the Board: Board Treasurer who will serve as the Board Liaison, and a Staff Liaison designated by the General Manager. The Board Liaison and Staff Liaison shall (a) not be regular or ex officio members of the Committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

**SECTION 3.** This Resolution shall take effect immediately upon adoption. This Resolution shall remain in full force and effect until rescinded by a subsequent Resolution of the Board of Directors.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utilities District at a meeting of said Board held on the 13th day of March, 2018, by the following vote:

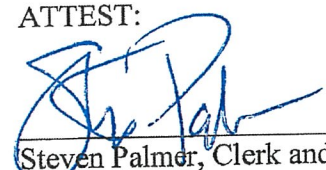
AYES: Halpin, Hanschild, Souza, Uso, Wadle

NOES:

~~ABSENT/ABSTAIN:~~

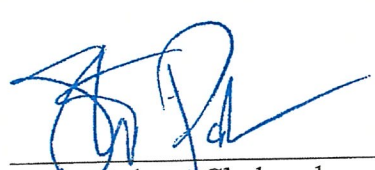
  
\_\_\_\_\_  
Londres Uso, President  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

ATTEST:

  
\_\_\_\_\_  
Steven Palmer, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

#### CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2018-14 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 13<sup>th</sup> day of March, 2018.

  
\_\_\_\_\_  
Steven Palmer, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT



## **EXHIBIT A**

### **Policy for Selecting Finance Committee**

- 1) Publish in a newspaper of general circulation in the District a notice of vacancy on the Committee and a desire to fill said vacancy.
- 2) The Board President will interview all applicants and return to the Board with recommendations for Committee appointment. All applicants will be eligible for the Board to appoint.
- 3) Alternatively, the Board President may elect to appoint a selection committee made up of two Board Members to interview applicants which will return to the Board with recommendation for Committee appointment. All applicants will be eligible for the Board to appoint.
- 4) The Committee will be made up of no less than three and no more than seven members.
- 5) The Board will confirm the selections by resolution.

## **EXHIBIT B**

### **Finance Committee of the Georgetown Divide Public Utility District Rules of Operating Procedure**

#### **MEETINGS**

- a) At any meeting of the Committee, the majority of the members currently appointed shall constitute a quorum for purposes of conducting business or meetings. Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion.
- b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the committee as provided by Government Code Section 54950 *et seq.*
- c) All meetings of the Committee shall be held in the GDPUD offices at 6425 Main Street, Georgetown, California 95634, unless there is a special need to hold a meeting at a different location.
- d) The proceedings of all meetings of the Committee shall be conducted in accordance with Robert's Rules of Order.
- e) Each Committee shall determine the order of business for the conduct of its meetings.
- f) Any meeting may be adjourned to a time and place stated in the Order of Adjournment. Less than a quorum may so adjourn from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause such notice to be given in the same manner as for special meetings.
- g) Special meetings may be called at any time at the direction of the chairperson or by a majority of a Committee. Twenty-four hours advance written notice of special meetings shall be provided by the chairperson stating the time, place, and business to be transacted. The public shall be notified through the District's regular communications and procedures, in accordance with the Brown Act.
- h) At least 72 hours before a regular Committee meeting, the legislative body of the District, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be filed with the Staff Liaison for posting outside the District offices.

- i) The Committee shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations and present a full statement to the Board of Directors upon request. A signed copy of meeting minutes shall be filed with the Staff Liaison.
- j) The Board Liaison to the Committee shall be the Board Treasurer.
- k) The duties of the Board Liaison include presenting relevant data to the Board and arranging for the presentation of important progress on projects to the Board by the Committee chairperson.
- l) The Board Liaison's role will be advisory to the Committee, but the process is meant to be staff driven.
- m) The Board Liaison will not have a vote on the Committee.

AGENDA ITEM 9.C

ATTACHMENT 2

REVISED RESOLUTION 2018-14

**Resolution No. 2018-14 (revised draft)**  
**of the Board of Directors of the**  
**Georgetown Divide Utility District**

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**Providing Role and Responsibilities of the Finance Committee.**

**Whereas**, the Georgetown Divide Utility District ("District") Board of Directors ("Board") previously memorialized the membership, duties, responsibilities, and other matters pertaining to the Finance Committee through Resolution 2017-25; and

**Whereas**, the Board seeks to rescind and replace Resolution 2017-25 to modify the roles and responsibilities of the Finance Committee; and

**Whereas**, the Finance Committee will assist the Board in the review of financial information of the District and make recommendations to the Board for actions related to the District's finance and budgeting; and financial policies and reports; and

**Whereas**, the Board finds it to be in the best interest of the public to establish the Finance Committee's roles and responsibilities as set forth herein.

**Now, therefore, be it resolved by the Board of Directors as follows:**

SECTION 1: Resolution 2017-25 is hereby rescinded and replaced with this Resolution 2018-14 and shall be of no further force or effect following the Board's adoption of this Resolution 2018-14.

SECTION 2: The Finance Committee ("Committee") shall be created as follows:

1. **Membership; Quorum.** The Committee shall be composed of no fewer than three (3) and no more than seven (7) members. A quorum shall consist of a simple majority of the total number of members currently appointed to the Committee.
2. **Selection of Committee Members.** The policies for selecting Committee members is shown in "Exhibit A and Exhibit C" which are attached hereto and incorporated herein by references as if set forth in full.
3. **Role of the Committee.** The primary role of the Committee is to provide recommendations to the Board of Directors ("Board") from their direction, or in response to proposals made by staff on matters related to the District's finances with Board approval. It shall be the responsibility committee to adhere to the Board approved Conceptual Budget Timeline and to:
  - a. Review annual operating budget proposed by staff and make recommendations to the Board prior to the Board receiving the annual operating budget for approval.



- b. Review emergency, short-range, long-range strategic financial planning and quarterly financial reports proposed by staff and make recommendations to the Board prior to the Board receiving the proposed financial plans and reports for approval.
- c. Review the audited annual financial data and statements and make recommendations to the Board prior to the Board receiving the audited annual financial statements for approval.
- d. Review and ~~m~~Monitor all District financial reports including budget amendments, quarterly reports, request for proposal budgets, Capital Improvement Plan project budget information, monthly cash balances, fund transfers, investments reports, and conduct an annual review of the reserve policy, and investments policy, and make any recommendations to the Board as requested by the board.
- e. Present all Committee identified financial goals and proposals to the Board for approval.
- e.f. Accept all projects requested by the Board.

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- 4. **Meetings.** The committee shall meet ~~at least quarterly~~ monthly, and more often if needed or requested by the ~~B~~board. Meetings shall be held at the District's offices. The Rules Operating Procedures are shown "Exhibit B." Which is attached hereto and incorporated herein by reference as if set forth in full.
- 5. **Terms.** The terms of the office shall be two (2) years. Committee members may be reappointed to subsequent terms ~~b-y~~ providing their resume' to the Board and the General Manager, and then the Board voting on the Committee member's reappointed during a Board meeting.
- 6. **Vacancies.** Any vacancies shall be filled after the General Manager advertises committee vacancies on the website, social media sites, or the newspaper and interested persons provide their resume' to the Board and the General Manager. Then the Board will evaluate and vote on the Committee members appointed during a Board meeting. ~~the unexpired term by the Board of Directors.~~
- 7. **Removal.** All Committee members serve at the will of the Board, and any member may be removed by an affirmative vote of three (3) members of the board. There shall be no requirement to show cause for removal.
- 8. **Officers.** The Committee shall designate from among its members a Chair, Vice-Chair, and Secretary. The Chair shall preside over the meetings, and in the Chair's absence the Vice-Chair shall preside. If both the Chair and they Vice-Chair are absent, the remaining members, if a quorum exists, shall select from among themselves a person to preside over the meeting. The Secretary (or

another member if the Secretary's absence) shall prepare agendas and minutes of every meeting and shall be responsible for transmitting the agenda and the final copy of all minutes to the General Manager or designee. Items needing Board action shall be transmitted as soon as possible to the General Manager or designee for inclusion on the next available Board agenda.

9. **Advisory nature of the committee.** The Committee is advisory in nature and shall report and be responsible to the Board ~~of Directors~~. The Committee and its members have no authority to set policy, expend funds, or make obligations on behalf of the Board and/or the District.
10. **Board Reports.** The Committee shall report on its activities to the Board at least ~~quarterly~~ monthly, and more often if needed or requested by the Board. The Board Report can be either oral or written and shall include a description of the activities of the ~~C~~committee for the proceeding. And any on-going or outstanding activities or tasks. Committee meeting minutes can be used to satisfy this requirement.
11. **Board Liaison and Staff Support.** The Committee shall have a following Board and/or staff members to assist it with its work from time to time as may be necessary or desired by the Committee and/or the Board: Board Treasurer who will serve as the Board Liaison, and a Staff Liaison designated by the General Manager. The Board Liaison and Staff Liaison shall (a) not be regular or ex officio members of the committee; (b) not have the right to vote; and (c) not be counted for purposes of determining the presence of a quorum.

SECTION 3. This Resolution shall take effect immediately upon adoption. This Resolution shall remain in full force and effect until rescinded by a subsequent Resolution of the Board ~~of Directors~~.

PASSED AND ADOPTED by the Board of Directors of the Georgetown Divide Public Utilities District at a meeting of said Board held on the 13<sup>th</sup> day of March, 2018, by the following vote:

AYES: Halpin, ~~Hanschid~~, Souza, ~~Uso~~, Wadle

NOES:

ABSENT/ABSTAIN:

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Londres Uso, President  
Board of Directors

GEORGETOWN DIVIDE PUBLIC UTILITIES DISTRICT

ATTEST:

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Stephen Palmer, clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITIES DISTRICT

CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of resolution 2018-14 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the 13<sup>th</sup> day of March, 2018.

---

Stephen Palmer, clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITIES DISTRICT

EXHIBIT A

**Policy for Selecting Finance Committee**

1) Published vacancies on the website, social media sites, or in a newspaper or general circulation in the district a notice of vacancy on the Finance Committee ("Committee") and a desire to fill such vacancy.

2) The Board and the General Manager ~~President~~ will receive interview all applicant's resumes. All applicants will be eligible for consideration by the Board, and return to the board with recommendations for committee appointment. ~~All applicants will be eligible for the Board to a point.~~

3) The Board will use the selection ranking criteria form, "Exhibit C," to evaluate and rank potential Committee members. The applicants with the highest scores will be appointed to the Committee during a Board meeting until all vacancies are filled. Alternatively, the

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~~Board President may elect to appoint a selection committee made up of two Board Members to interview applicants which will return to the Board with recommendations for the Committee appointment. All applicants will be eligible for the Board to a point.~~

4) The Committee will be made up of volunteers with no less than three and no more than seven members.

5) The Board will confirm the selections by resolution.

## EXHIBIT B

### Finance Committee of the Georgetown Divide Public Utility District Rules of Operating Procedures

#### MEETINGS

- a) At any meeting of the Finance Committee ("Committee"), the majority of the members currently appointed show constitute a quorum for purposes of conducting business or meetings. Unless otherwise posted, a majority vote of those present and voting shall be sufficient to adopt any motion.
- b) All meetings of the Committee shall be open and public, and all persons shall be permitted to attend any meeting of the committee as provided by Government Code Section 54950 et seq.
- c) All meetings of the Committee shall be held in the GDPUD offices at 6425 Main Street, Georgetown, CA 95634, unless there is a special need to hold a meeting at a different location.
- d) The proceedings of all meetings of the Committee shall be conducted in accordance with Robert's Rules of Order.
- e) Each Committee shall determine the order of business for the conduct of its meetings.
- f) Any meeting may be adjourned to a time and place stated in the Order of Adjournment. Less than a quorum may also adjourn from time to time. If all members are absent, the Secretary may declare the meeting adjourned to a stated time and place and shall cause each notice to be given in the same manner as for special meetings.



g) Special meetings may be called at any time at the direction of the Chairperson or by a majority of the Committee. Twenty-Four hours advance written notice of special meetings shall be provided by the Chairperson stating the time, place, and business to be transacted. The public shall be notified through the district regular communications and procedures, in accordance with the Brown Act.

h) At least 72 hours before a regular Committee meeting, the legislative body of the district, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting. The agenda shall be filed with the staff liaison for posting outside the District Offices.

i) The Committee Secretary shall maintain meeting minutes, including a complete record of all transactions, findings, and determinations, and present a full statement to the General Manager for the Board of directors upon request prior to the next Board meeting. A signed copy of meeting minutes shall be filed with the Staff Liaison.

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j) The Board Liaison to the Committee shall be the Board Treasurer.

k) The duties of the Board Liaison include presenting relevant data to the Board and arranging for any presentation of important progress on projects to the Board by the Committee chairperson.

l) The Board Liaison's role will be advisory to the Committee, but the process is meant to be staff driven.

m.) The Board Liaison will not have a vote on the Committee.

### **EXHIBIT C**

#### **Georgetown Divide Public Utility District Finance Committee Applicant Evaluation Form**

The scoring process from 5 to 1 will be used to rank each individual finance committee applicant over a range of criteria, and those achieving the highest total score will be placed on the GDPUD finance committee for which they have applied, for example:

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#### **Scoring**

Candidate evaluation forms are to be completed by the Board of Directors to rank the candidate's overall qualifications for the position on the GDPUD Finance Committee.



Under each heading, the Board member should give the candidate a numerical rating and write specific job-related comments in the space provided. The numerical rating system is based on the following:

- 5 – Exceptional; 5+ years of educational or work experience.
- 4 - Above Average; 3-5 years of educational or work experience.
- 3 – Average; 1-2 years of educational or work experience.
- 2 - Below Average; 1-year or less educational or work experience.
- 1 – Unsatisfactory; no educational or work experience.

**Candidate Name:** \_\_\_\_\_ **Position:** \_\_\_\_\_

**Interviewer Name:** \_\_\_\_\_ **Date:** \_\_\_\_\_

	<u>Rating</u>				
	5	4	3	2	1
<b><u>Educational Background:</u></b> Does the candidate have the appropriate educational qualifications or training for this position?  <b><u>Comments:</u></b>					
<b><u>Prior Work Experience:</u></b> Has the candidate acquired similar skills or qualifications through past work experiences?  <b><u>Comments:</u></b>					
<b><u>Technical Qualifications/Experience:</u></b> Does					

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the candidate have the technical skills necessary for this position?

Comments:

**Verbal Communication:** Did the candidate demonstrate effective communication skills during the interview?

Comments:

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**Candidate Enthusiasm:** Did the candidate show enthusiasm for the position and the company?

Comments:

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**Knowledge of Company:** Did the candidate show evidence of having researched the company prior to the interview?

Comments:

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**Teambuilding/Interpersonal Skills:** Did the candidate demonstrate, through his or her answers, good teambuilding/interpersonal skills?

Comments:

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**Initiative:** Did the candidate demonstrate, through his or her answers, a high degree of initiative?

Comments:

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**Time Management:** Did the candidate demonstrate, through his

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or her answers, good time  
management skills?

Comments:

**Customer Service:** Did the  
candidate demonstrate, through his  
or her answers, a high level of  
customer service skills/abilities?

Comments:

**Overall Impression and  
Recommendation:** Final comments  
and recommendations for  
proceeding with the candidate.

Comments:

**Totals:**

**Overall total:**

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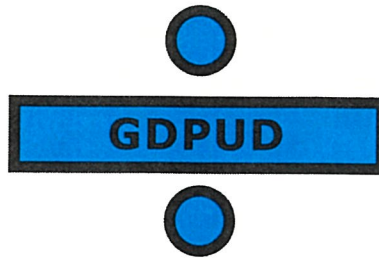
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NEW BUSINESS  
ITEM 9.D.

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JANUARY 12, 2021  
AGENDA ITEM NO. 9.D.**

**GDPUD**

**AGENDA  
SECTION:**

**NEW BUSINESS**

**SUBJECT:**

**DISCUSSION ON REVISING POLICY 5020 - BOARD  
MEETING AGENDA**

**PREPARED BY:**

Jeff Nelson, PE, General Manager

**APPROVED BY:**

Jeff Nelson, PE, General Manager

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**BACKGROUND**

This item was first presented to the Board at the August 13, 2019 Board meeting. The Staff Report and attachments from that Board meeting are included as Attachment 1. Policy 5020 was approved at the January 14, 2020 meeting.

Revising this policy is consistent with Board Goal F – Board Leadership, Objective F-2 Update and Adopt Board Policies.

**DISCUSSION**

Review existing policy and provide input to staff regarding possible changes.

The District's current policy is consistent with the CSDA model policy. The District's current policy provides the following guidance regarding development of the Board agendas:

- *"The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors in accordance with the Ralph M. Brown Act (California Government Code Section 54950). Any Director may contact the General Manager and request any item to be placed on the agenda no later than Twelve (12) days prior to the next meeting date."*
- A detailed process for members of the public to place items on the agenda.

**FISCAL IMPACT**

There is no fiscal impact in adopting this policy.

**CEQA ASSESSMENT**

Not a CEQA Project



**RECOMMENDED ACTION**

The General Manager recommends the Board of Directors of the Georgetown Divide Public Utility District (GDPUD) review the attached Revised Board Policy 5020 – Board Meeting Agenda and does not recommend any changes to this policy at this time.

**ALTERNATIVES**

The Board may direct Staff to make changes to the existing District policy.

**ATTACHMENTS**

1. Board Policy 5020 – Board Meeting Agenda

**AGENDA ITEM 9.D.**

**Attachment 1**

**Draft Revised Board Policy 5020**

# Georgetown Divide Public Utility District **2020** Policy Manual

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**POLICY TITLE:** Board Meeting Agenda

**POLICY NUMBER:** 5020

**5020.1** The General Manager, in cooperation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors in accordance with the Ralph M. Brown Act (California Government Code Section 54950)

**5020.1.1** Any Director may contact the General Manager and request any item to be placed on the agenda no later than twelve (12) days prior to the next meeting date. With the approval of the Board President, the item shall be placed on the agenda for Board discussion on whether the item should be scheduled for further consideration and Board action on an upcoming meeting agenda. The Board Member requesting the item shall provide a brief description of the subject to be printed for the agenda packet

**5020.1.2** A Director may request verbally during Board Member Requests for Additions to Future Meeting Agendas that an item be considered on a future agenda. Upon agreement by a majority of the Board, the item will be placed on a future agenda for Board discussion on whether the item should be scheduled for further consideration and Board action on an upcoming meeting agenda. The Board Member requesting the item shall provide a brief description of the subject to be printed for the agenda packet.

**5020.2** Any member of the public may request that a matter directly related to District business be placed on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

**5020.2.1** The request must be in writing and be submitted to the General Manager together with supporting documents and information, if any, at least seven business days prior to the date of the meeting;

**5020.2.2** The General Manager shall confer with the Board President on whether the public request is or is not a "matter directly related to District business." If the matter is determined by both not to be a matter directly related to District business, the public member requesting the agenda item may appeal the decision at the next regular meeting of the Board of Directors. Any Director may request that the item be placed on the agenda of the Board's next regular meeting.

**5020.2.3** The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting.

**5020.3** This policy does not prevent the Board from taking testimony at regular and special meetings of the Board on matters which are not on the agenda which a member of the public may

# Georgetown Divide Public Utility District **2020** Policy Manual

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wish to bring before the Board. However, the Board shall not discuss or take action on such matters at that meeting.

**5020.4** At least 72 hours prior to the time of all regular meetings, an agenda, which includes but is not limited to all matters on which there may be discussion and/or action by the Board, shall be posted in a place that is freely accessible to members of the public (California Government Code 54954.2 and emailed to those who have requested to receive the agenda via email.. If the District maintains a website, the agenda shall be posted on the website for public information at the same time. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review prior to the board meeting.

**5020.4.1** The agenda for a special meeting shall be posted at least 24 hours before the meeting in the same location as for Regular Meeting agendas (California Government Code Section 54956).

**5020.5** The District Agenda for Regular meetings shall generally follow the following format. The General Manager, in cooperation with the Board President, may reorganize the template on a case-by-case basis if a variation in the normal order of business is appropriate. Director names and titles shall be included on the agenda.

## **5020.5.1 CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**

## **5020.5.2 ADOPTION OF AGENDA**

## **5020.5.3 PUBLIC FORUM**

Members of the public wishing to address the Board on a matter that is not on the agenda and within the jurisdictional authority of the District may do so during Public Forum. The Board is not permitted to take action on items addressed in Public Forum.

## **5020.5.4 PROCLAMATIONS AND PRESENTATIONS**

Proclamations made by the Board, and Presentations provided by outside organizations. Examples of Board Proclamations include recognizing employees for their service and supporting outreach efforts that align with the District's mission; such as Water Professionals Appreciation Week or other water related events.

## **5020.5.5 CONSENT CALENDAR**

The Consent Calendar consists of those items which are routine and non-controversial. Following is a non-exclusive list of items that would typically appear on the Consent Calendar:

- Minutes
- Statement of Cash Balances
- Month-End Cash Disbursement Report
- Acceptance of Routine Projects without Fiscal Impact



The Consent Calendar would be approved by one motion of the Board adopting the Consent Calendar and authorizing the appropriate and necessary actions. Should any member of the Board or public wish to discuss any item appearing thereon, the Board member should request that the item be removed from the Consent Calendar. At the direction of the President, the item will be removed and discussed immediately after the approval of the Consent Calendar, or as soon thereafter as practicable.

#### **5020.5.6 INFORMATIONAL ITEMS**

##### **1. BOARD REPORTS**

Directors shall be allowed five (5) minutes each to provide brief reports on meetings, conferences, and seminars attended by the Directors of interest to the District and the public. Directors may also use this five (5) minutes to report on community comments and activities of interest. Additional time may be extended by the Board President, or Board Officer that is presiding over the meeting.

##### **2. GENERAL MANAGER'S REPORT**

The General Manager will provide a report on current activities within the District of interest to the public and the Board.

##### **3. OPERATIONS MANAGER'S REPORT**

The Operations Manager will provide a report on maintenance activities occurring during the previous month.

##### **4. FINANCE COMMITTEE REPORT**

The Chair of the Finance Committee will provide an oral report of activity at recent Finance Committee meeting(s).

#### **5020.5.7 NEW BUSINESS**

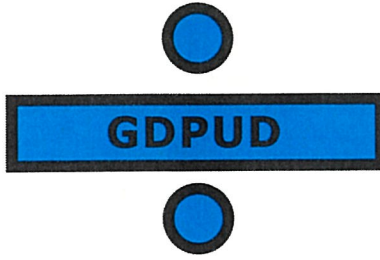
Items of regular District business which will be presented to the Board with a recommendation or for consideration by the General Manager or District staff

#### **5020.5.8 BOARD MEMBER REQUESTS FOR ADDITIONS TO FUTURE MEETING AGENDAS AND REQUESTS FOR INFORMATION OR RESEARCH TO BE COMPLETED BY STAFF**

Individual Board members may request items to be added to a future agenda item and may request information or research for Staff to respond at a future time. Requests for future agenda items will be considered as described in Section 5020.1.2

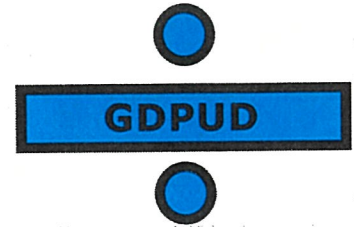
#### **5020.5.9 NEXT MEETING DATE AND ADJOURNMENT**





NEW BUSINESS  
ITEM 9.E.

**REPORT TO THE BOARD OF DIRECTORS  
BOARD MEETING OF JANUARY 12TH, 2021  
AGENDA ITEM NO. 9.E.**



**AGENDA SECTION: NEW BUSINESS**

**SUBJECT:** Review General Manager Procurement Limits and Contract Signing Authority

**PREPARED BY:** Jeff Nelson, Interim General Manager

**APPROVED BY:** Jeff Nelson, Interim General Manager

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**BACKGROUND**

The Georgetown Divide Public Utilities District (District) Board of Directors adopted the attached Procurement Policies and Procedures on October 9<sup>th</sup>, 2018. The adopted Procurement Policies and Procedures provide for the General Manager to act as Purchasing Agent for procurements/purchases up to \$45,000 without authorization of the Board, assuming the conditions of the Procurement Policies and Procedures are met. The Board of Directors must authorize any procurements exceeding \$45,000.

**DISCUSSION**

District legal counsel has rendered an opinion that the Interim General Manager functions as the General Manager and has all of the authority of the General Manager while in this position.

**FISCAL IMPACT**

None.

**CEQA ASSESSMENT**

Not a CEQA project.

**RECOMMENDED ACTION**

Staff recommends the Board of Directors of the District do not change the procurement limit of the General Manager (or Interim General Manager).

**ATTACHMENTS**

1. Adopted Procurement Policy
2. Resolution 2012-18 – GM Purchasing Authority
3. Resolution 2018-46 – Procurement Policy

AGENDA ITEM 9.E

ATTACHMENT 1

Adopted Procurement Policy

# GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

## Procurement Policy and Procedures

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### ARTICLE I. GENERAL

#### **Section 1.01 Purpose**

The purpose of this policy is to establish the procedures governing purchase requisitions for materials, supplies and equipment in accordance with the State of California Government Code and contracting for public projects and consulting services in accordance with the State of California Public Contract Code and Uniform Public Construction Cost Accounting Act.

#### **Section 1.02 Definitions**

For the purposes of this chapter, unless otherwise apparent from the context, certain words and phrases used in this chapter are defined as follows:

- (a) "District" refers to the Georgetown Divide Public Utility District.
- (b) "Board" refers to the Board of Directors of Georgetown Divide Public Utility District.
- (c) "General Manager" is the General Manager as appointed by the Board of Directors of Georgetown Divide Public Utility District.
- (d) "Government Code" refers to the Government Code of the State of California.
- (e) "Public Contract Code" refers to the Public Contract Code of the State of California.
- (f) "Supplies" includes materials, small tools and equipment, and other goods or commodities utilized in the daily operational efforts of the District.
- (g) "Equipment" includes large heavy equipment, vehicles, furniture and fixtures.
- (h) "Public project" is as defined in Chapter 2, Section 22002 of the Public Contract Code:
  - (i) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased or operated facility.
  - (ii) Painting or repainting of any publicly owned, leased, or operated facility.
  - (iii) In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.
  - (iv) "Public project" does not include maintenance work. For purposes of this policy, "maintenance work" includes all of the following:
    - 1) Routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
    - 2) Minor repainting.
    - 3) Resurfacing of streets and highways at less than one inch.
    - 4) Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.

- 5) Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.
- (i) For purposes of this chapter, “facility” means any plant, building, structure, ground facility, utility system, subject to the limitation found in Public Contract Code section 22002(c)(3), real property, streets and highways, or other public work improvement.
- (j) “Bidders list” refers to a list of prospective vendors.
- (k) “Contractors list” refers to a list of contractors qualified to perform the duties required to construct public projects, of which should be developed and maintained by the General Manager using the criteria detailed by the California Uniform Construction Cost Accounting Commission.
- (l) “Local business preference list” refers to a list of vendors located within the District and are qualified to provide supplies, equipment, and services for maintenance and public projects.
- (m) “Consultant” refers to a specially trained and experienced individual or firm for which they are qualified to provide expert services or advice related to financial, economic, accounting, architectural, engineering, legal, insurance, data processing, personnel or other administrative matters.
- (n) “Professional services” shall mean and include professional services of any type or variety, including, but not limited to, services rendered by accountants, appraisers, architects, attorneys, auditors, designers, engineers, inspectors, physicians, surveyors, and other professional and technical callings requiring special licenses or certifications.
- (o) “Purchase” refers to the acquisition of property including rental, lease or trade.
- (p) “Responsible bidder” refers to a bidder who has demonstrated the specified qualifications and capabilities to satisfy the proposed work requirements.
- (q) “Responsive bidder” refers to a bidder that responds appropriately according to the demands of the bidding instructions.
- (r) “Purchasing agent” refers to the appointed positions of the District charged with responsibilities governing procurement of supplies, equipment, and contracts for maintenance and public project services.
- (s) “Emergency” refers to a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.

### **Section 1.03 Purchasing Agents**

Procurement limits and contract signing authority are listed below.



## Procurement Policy and Procedures

Title	Procurement Limit	Contract Authority
General Manager	Up to \$45,000	\$45,001 and over with Board authorization Up to \$45,000 without Board Authorization
Operations Manager	Up to \$5,000	None
This table serves to summarize the provisions of Section 1.03. If this table conflicts with the language of Section 1.03, the latter shall control.		

- (a) The Operations Manager or General Manager shall act as the Purchasing Agent for procurements up to Five Thousand Dollars (\$5,000). The Operations Manager does not have signature authority on contracts procured pursuant to this policy.
- (b) The General Manager shall act as the Purchasing Agent for procurements with a value of more than Five Thousand Dollars (\$5,000.00) and up to Forty-Five Thousand Dollars (\$45,000.00).

### **Section 1.04 Purchasing Agent Duties**

*The purchasing agent shall have the authority to:*

- (a) Purchase or contract for supplies, equipment, maintenance services, or public projects in accordance with the purchasing procedures detailed in this directive;
- (i) *Exception.* The Operations Manager does not have signature authority on contracts procured pursuant to this policy;
- (b) Procure quality supplies, equipment, and services for maintenance and public projects at the least expense to the District;
- (c) Obtain as full and open competition as possible on all purchases and contracts;
- (d) Keep informed of the current developments in the field of purchasing and contract administration as well as prices, market conditions and new products;
- (e) Maintain reasonably necessary forms for the administration and operation of adhering to the procedures detailed in this directive;
- (f) Supervise the regular inspection of all supplies and equipment for adequacies in their intended use;
- (g) Obtain chemical and physical tests of samples submitted with bids which are necessary to determine their quality and conformance with specifications, where the cost may be covered by the District, or the District may order the cost be covered by the bidder;
- (h) Recommend the transfer of surplus or unused supplies and equipment between departments as needed and the sale of all supplies and equipment that cannot be used by the District;
- (i) Maintain bidders list, contractors list, local business preference list, current vendor list and other related records required to perform the duties of the purchasing function.

### **Section 1.05 Purchase Orders**

{CW051214.5}

## **Procurement Policy and Procedures**

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Standardized purchase orders and contracts for supplies, equipment, maintenance services and public projects are to be submitted to the purchasing agent prior to procurement.

### **Section 1.06 Encumbrance of Funds**

The purchasing agent is only authorized to procure supplies, equipment, and contracts for maintenance or public project services for which there is an unencumbered appropriation available to be charged.

### **Section 1.07 Staging of Purchases**

Staging purchases and contracts into smaller units for the purposes of evading competitive bidding procedures in this directive is explicitly prohibited.

### **Section 1.08 Exemptions**

The purchasing procedures detailed in this policy do not include the following:

- (a) Travel expenses
- (b) Subscriptions
- (c) Advertisement of government mandated notices
- (d) Reimbursement expenses
- (e) Payroll and personnel related expenses
- (f) Insurance claims
- (g) Conference fees
- (h) Banking services
- (i) Postage, courier and delivery service charges
- (j) Dues to approved organizations
- (k) Payments to other government agencies
- (l) Land
- (m) Debt Service
- (n) Claims settlements
- (o) Grants

## **ARTICLE II. PURCHASING AND CONTRACTING FOR SUPPLIES AND EQUIPMENT**

### **Section 2.01 Purchasing Procedures for Supplies and Equipment**

Purchasing procedures for supplies and equipment authorize the purchasing agent to acquire such items within their authorized purchasing threshold, as defined in Section 1.03.

### **Section 2.02 Purchase Requisition Procedures**

Purchase requisitions for the purchase of supplies and equipment are subject to the dollar limits provided in the table below.

{CW051214.5}

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## Procurement Policy and Procedures

Procurement Limits	Purchase Order	Bidding Procedures
< \$500	No purchase order required	No quotes
\$500 - \$1,000	Purchase order required Second signature by General Manager	No quotes
\$1,001 - \$2,999	Purchase order required Second signature by General Manager	Attempt 3 quotes
\$3,000 - \$10,000	Purchase order required	3 quotes required
> \$10,000	Purchase order required	Formal bidding procedure
This table serves to summarize the provisions of Section 2.02. If this table conflicts with the language of Section 2.02, the latter shall control.		

- (a) Purchase orders are required for all purchases over Five Hundred Dollars (\$500.00).
- (b) Purchase greater than Five Hundred Dollars (\$500.00) and up to the limit of the Operations Manager's threshold, as defined in Section 1.03, require a second approval signature by the General Manager.
- (c) Purchases greater than One Thousand Dollars (\$1,000.00) must include attempts to receive at least three (3) quotes.
- (d) Purchases greater than Three Thousand Dollars (\$3,000.00) and up to Ten Thousand Dollars (\$10,000.00) require three (3) quotes.
- (e) Purchases greater than Ten Thousand Dollars (\$10,000.00) require a formal bidding procedure before the purchase order requisition is issued.

### **Section 2.03 Types of Purchase Orders**

There are two (2) types of purchase orders the purchasing agent may issue, blanket purchase orders and individual purchase order requisitions. Procedures for each are provided below.

- (a) *Blanket purchase orders.* Blanket purchase orders are issued by the purchasing agent for the purchase of supplies and equipment from the vendor for which there will be multiple or for ongoing monthly purchases. A blanket purchase order is issued to cover all amounts anticipated to be paid to the supplier for the fiscal year or contract term and typically expires at the end of the fiscal year or contract term. Blanket purchase orders are subject to the thresholds of the purchasing agents, as defined in Section 1.03. Once the dollar limit of the blanket purchase order has been met all subsequent purchases must revert to the use of individual purchase order requisitions.



## Procurement Policy and Procedures

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- (b) *Purchase order requisitions.* Individual purchase order requisitions are to be submitted to the purchasing agent, as described in Section 1.05, for the purchase of supplies, equipment, and materials from vendors without blanket purchase orders, or from vendors with blanket purchase orders for which the dollar limit has been met.

### **Section 2.04 Formal Bidding Procedures**

*The following provisions shall apply in contracting for supplies and equipment:*

- (a) *Notices inviting bids.* Notices inviting bids shall be prepared describing the bid items in general terms; referencing how to obtain more detailed information about the bid items; stating that the conditions and schedule may be found in the office of the District clerk; mentioning that the supplies and equipment are to be delivered at such times, in such quantities, and in such a manner as the Board may designate; and stating the time, date, and place for the submission of sealed bids.
- (b) *Material changes to the bid.* If a material change to the bid specification is issued by the District later than seventy-two (72) hours prior to the opening of bids, the date and time shall be extended by no less than seventy-two (72) hours. The term "material change" means a change with a substantial cost impact on the total bid as determined by the District.
- (c) *Base Contract.* Bid specifications which include one or more alternative bid schedules, shall identify and define the base bid for the purpose of awarding to the lowest responsive and responsible bidder.
- (d) *Bid opening procedure.* Sealed bids shall be submitted to the Purchasing Agent and shall be identified as bids on the envelope. Such bids shall be opened in public at the time and place stated in the notice inviting bids, in the presence of all bidders who attend. A tabulation of all bids received shall be open for public inspection during regular business hours until award of the contract.
- (e) *Records of bid documents.* Bid documents received by the District shall be maintained by the District department issuing the bid in accordance with the District's records retention schedule.
- (f) *Award of contracts.* Contracts shall be awarded by the District to the responsible bidder that submits the lowest bid.
- (g) *No bids received.* In the event no bids are received, the District shall have the option of any of the following:
  - (i) Abandon the purchase; or
  - (ii) Rebid the purchase.
- (h) *Rejection of bids.* The District may elect to reject all bids. In the event all bids are rejected, the District shall have the option of any of the following:
  - (i) Abandon the purchase or service; or
  - (ii) Rebid the purchase.

## Procurement Policy and Procedures

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- (i) *Tie bids.* If two (2) or more bids are received from responsive and responsible bidders for the same total amount or unit price, and are the lowest, the District may accept the bid it chooses.
- (j) *Written contracts.* Written contracts in the form approved by the District Legal Counsel shall be used in the award of bids.
- (k) *Sending, mailing, and publishing of notices.* Notices inviting formal bids shall be published, sent, and mailed as follows:
  - (i) Sent electronically, by facsimile or electronic mail, or mailed to all prospective vendors and firms at least fifteen (15) calendar days before the date of the bid opening;
  - (ii) Published at least once in a newspaper of general circulation, printed and published in the District, at least fourteen (14) calendar days before the date of the bid opening; and
  - (iii) Other mailings, advertisements, and notifications deemed appropriate by the General Manager.
- (l) *Emergencies.* In case of an emergency, the Board shall respond to the emergency pursuant to Section 4.02 of this policy
- (m) *Exceptions.* A separate formal bidding process is not required when purchases are made through a cooperative purchasing agreement or "piggy backing" with another public agency whose procurement process is substantially consistent with the provisions of this article.

### **Section 2.05 Local Business Preference**

The District recognizes that local businesses make significant contributions to the economic health of the District. The District supports local business opportunities, which encourage businesses to move into and stay within the District, promote economic development, and maintain a strong local economic base, which in turn foster economic growth in the District. Therefore, the Board has determined it is in the District's best interest to establish and provide a preference to local businesses.

- (a) *Competitive bid process.* The General Manager is authorized to extend a preference to a responsible and responsive local business in a competitive bid for the procurement of supplies, equipment, and materials not to exceed five percent (5%) of the local business's total bid price, or Two Thousand Five Hundred Dollars (\$2,500.00), whichever is lower, for the purpose of determining the lowest bid.
- (b) *Local preference.* When a non-local business has submitted the lowest responsive and responsible bid, and when one or more local businesses have also bid, the local business's total bid amount will be reduced by five percent (5%) for bid comparison purposes. If the net amount is lower than the lowest bid, the bid will be awarded to the local business for the full amount of its bid.



## Procurement Policy and Procedures

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- (c) *Local business.* For purposes of this chapter, "local business" means a vendor or contractor that has an office with at least one employee physically located within the District.

*Exemptions.* The local business preference does not apply to contracts funded by grants which prohibit the use of preferences.

### ARTICLE III. CONTRACTING FOR NEW CONSTRUCTION, ALTERATION, MAINTENANCE, OR REPAIR SERVICES

#### **Section 3.01 Contracting Procedures for New Construction, Alteration, Maintenance, or Repair Services**

Purchasing procedures for new construction that is not a public project, alteration, maintenance, or repair services, authorize the Purchasing Agent to acquire such items within his or her authorized purchasing threshold, as defined in Section 1.03.

#### **Section 3.02 Contracting Procedures**

Contracting procedures for new construction that is not a public project, alteration, maintenance, or repair services, are subject to the dollar limits provided in the table below.

Procurement Limits	Purchase Order	Bidding Procedures
< \$500	No purchase order required	No quotes
\$500 - \$1,000	Purchase order required Second signature by General Manager	No quotes
\$1,001 - \$2,999	Purchase order required Second signature by General Manager	Attempt 3 quotes
\$3,000 - \$15,000	Purchase order required	3 quotes required
> \$15,000	Purchase order required	Formal bidding procedure
This table serves to summarize the provisions of Section 3.02. If this table conflicts with the language of Section 3.02, the latter shall control.		

- (a) Purchase orders are required for all purchases over Five Hundred Dollars (\$500.00).
- (b) Purchases greater than Five Hundred Dollars (\$500.00) and up to the limit of the Operations Manager's threshold, as defined in Section 1.03, require a second approval signature by the General Manager.
- (c) Purchases greater than One Thousand Dollars (\$1,000.00) must include attempts to receive at least three (3) quotes.
- (d) Purchases greater than Three Thousand Dollars (\$3,000.00) and up to Fifteen Thousand Dollars (\$15,000.00) require three (3) quotes.
- (e) Purchases greater than Fifteen Thousand Dollars (\$15,000.00) require a formal bidding procedure before the District enters into a contract for new construction that is not a public project, or alteration, maintenance or repair services, is issued.

## Procurement Policy and Procedures

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### **Section 3.03 Purchase Orders**

Purchase orders shall be submitted to the purchasing agent, as described in Section 1.05, for requests for new construction not deemed a public project, alteration, maintenance, or repair services.

### **Section 3.04 Work by District**

Nothing in this article prohibits the Board from doing, or causing to be done directly by the District, and without any contract, any or all work necessary or proper in or about the making of all current and ordinary repairs, upkeep, or maintenance.

### **Section 3.05 Bonds**

Bidders for construction contracts shall give bonds for the faithful performance of the construction contract.

### **Section 3.06 Formal Bidding Procedures**

*The provisions in Section 2.04 shall apply to formal bidding procedures for contracting for new construction, alteration, maintenance, or repair services, except for subdivisions (g) and (h), which shall read:*

- (g) *No bids received.* In the event no bids are received, the District shall have the option of any of the following:
  - (i) Abandon the service; or
  - (ii) Rebid the service.
- (h) *Rejection of bids.* The District may elect to reject all bids. In the event all bids are rejected, the District shall have the option of any of the following:
  - (i) Abandon the service;
  - (ii) Rebid the service; or
  - (iii) Perform the service by employees of the District after the Board passes, by a two-thirds (2/3rd) vote, a resolution declaring that all bids submitted are unsatisfactory or excessive.

## **ARTICLE IV. PURCHASING AND CONTRACTING FOR PUBLIC PROJECTS**

*Purchases and contracts for public projects are subject to the Public Contract Code and Uniform Public Construction Cost Accounting Act and shall adhere to the following competitive bidding procedures in the following sections of this article. The estimated value of purchases and contracts shall not include sales tax or freight.*

### **Section 4.01 Purchasing and Contracting Procedures for Public Projects**

## Procurement Policy and Procedures

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- (a) *Open market bidding procedures.* Purchases and contracts of an estimated value in the amount of Forty-Five Thousand Dollars (\$45,000.00) or less may be made by force account, negotiated contract or by purchase order pursuant to the provisions of Section 4.04 of this article, except as otherwise provided in this section.
- (b) *Informal bidding procedures.* Purchases and contracts of an estimated value in the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) or less may be made by informal bidding procedures pursuant to the provisions of Sections 4.05 and 4.06 of this article, except as otherwise provided in this section.
- (c) *Formal bidding procedures.* Purchases and contracts of an estimated value in an amount greater than One Hundred Seventy-Five Thousand and no/100ths Dollars (\$175,000.00) shall be made by formal bidding procedures pursuant to the provisions of Sections 4.05 and 4.07 of this article, except as otherwise provided in this section.
- (d) *Exceptions.* The bidding procedures and force account restrictions set forth in this article shall be dispensed with when bidding would be impossible, impractical, or incongruent; in an emergency; when the price is controlled by law; when the commodity, or maintenance service, or project can only be provided or performed by one vendor. For the purposes of this section:
  - (i) "Impossible" shall mean actual impossibility or extreme and unreasonable difficulty or expense.
  - (ii) "Impractical" shall mean incapable of being performed by the bid procedure.
  - (iii) "Incongruous" shall mean not suitable to the bid procedure.
- (e) *Cooperative agreements.* No provision of this article shall be interpreted or construed to prohibit or prevent the District from purchasing or contracting for supplies, equipment, maintenance services, or public projects by contracts, arrangements, and agreements for cooperative purchasing programs not otherwise prohibited by law with any federal government agency, the state, the county, any other public agencies, or with any cooperative purchasing alliance acting on behalf of governmental entities. Any such contract, agreement, or arrangement otherwise subject to open market or informal bidding procedures shall be first approved by the Purchasing Agent and if subject to formal bidding procedures shall be first approved by the Board, or by the General Manager if the funding for the purchase has already been approved by the Board through the budget process. At the discretion of the appropriate approving authority, the bidding procedures of any agency may be used in such joint contracting arrangements.

### Section 4.02 Emergencies



## Procurement Policy and Procedures

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- (a) *Generally.* In cases of emergency, the Board shall follow the procedures in Public Contract Code section 22050.
- (b) *Authority to Act.* In cases of emergency, the Board, by a four-fifths (4/5ths) vote, may direct the General Manager to replace or repair any public facility without adopting plans, specifications, strain sheets, or working details, or giving notice for bids to let contracts.
- (c) *Work by Day Labor or Contract.* The work may be done by day labor under the direction of the Board, by contract, or by a combination of the two.
- (d) *Review of Board Actions.* Where the Board orders any action as permitted by Public Contract Code section 22050, the Board shall review the emergency action every fourteen (14) days thereafter until the action is terminated, to determine, by a four-fifths (4/5) vote, that there is a need to continue the action.
- (e) *Review of General Manager Actions.* Where the General Manager orders any action as permitted by Public Contract Code section 22050, the Board shall initially review the emergency action not later than seven (7) days after the action. The Board shall review the emergency action every fourteen (14) days thereafter until the action is terminated, to determine, by a four-fifths (4/5) vote, that there is a need to continue the action, unless the General Manager has terminated that action prior to the Board reviewing the emergency action and making a determination pursuant to this subdivision.
- (f) *Termination of Emergency Action.* When the Board reviews the emergency action, it shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the emergency action may be completed by giving notice for bids to let contracts.

### **Section 4.03 Authorized Signature**

- (a) *Board President.* The President shall be authorized to sign on behalf of the District all approved contracts provided for in this article. In the absence of the President, the Vice President shall be so authorized.
- (b) *General Manager.* The General Manager shall be authorized to sign on behalf of the District all contracts provided for in Section 4.06 of this article and such other approved contracts as the Board may specifically direct from time to time.

### **Section 4.04 Open Market Bidding Procedures**

Except as otherwise provided in subsections (d) and (e) of Section 4.01 of this article, the solicitation of bids and award of contracts for public projects with an estimated value in the amount of Forty-Five Thousand Dollars (\$45,000.00) or less may be made by the Purchasing Agent by force account, negotiated contract or by purchase order. Whenever possible, bids shall be obtained in the open market in accordance with the following procedures:

- (a) *Minimum number of bids.* Open market purchases, whenever possible, shall be based on at least three (3) bids and shall be awarded to the lowest responsive and responsible bidder.
- (b) *Notices inviting bids.* The Purchasing Agent shall solicit bids from prospective vendors by written requests, by telephone, by facsimile or electronic mail, or by other advertising.

## Procurement Policy and Procedures

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- (c) *Written records of bids.* Written records of bids received shall be maintained by the Purchasing Agent in accordance with the District's records retention schedule. Such records, while so kept, shall be open to public inspection and shall include the business name, address, and telephone number of the vendor; vendor representative; description of the bid items, including unit quantities if applicable, unit prices or lump sum amount quoted by the vendor; and the date the bid was received.

### **Section 4.05 General Provisions for Informal and Formal Bidding Procedures**

*The following provisions shall apply in contracting for public projects under both informal and formal bidding procedures:*

- (a) *Material changes to the bid.* If a material change to the bid specification is issued by the District later than seventy-two (72) hours prior to the opening of bids, the date and time shall be extended by no less than seventy-two (72) hours. The term "material change" means a change with a substantial cost impact on the total bid as determined by the District.
- (b) *Base Contract.* Bid specifications which include one or more alternative bid schedules, shall identify and define the base bid for the purpose of awarding to the lowest responsive and responsible bidder.
- (c) *Bid opening procedure.* Sealed bids shall be submitted to the Purchasing Agent and shall be identified as bids on the envelope. Such bids shall be opened in public at the time and place stated in the notice inviting bids in the presence of all bidders who attend. A tabulation of all bids received shall be open for public inspection during regular business hours until award of the contract.
- (d) *Records of bid documents.* Bid documents received by the District shall be maintained by the District department issuing the bid in accordance with the District's records retention schedule.
- (e) *Award of contracts.* Contracts shall be awarded by the District to the responsive and responsible bidder that submits the lowest bid.
- (f) *No bids received.* In the event no bids are received, the District shall have the option of any of the following:
  - (i) Abandoning the purchase or project;
  - (ii) Rebidding the purchase or project; or
  - (iii) Perform the work by employees of the District.
- (g) *Rejection of bids.* The District may elect to reject all bids. In the event the District anticipates rejecting all bids, the District shall provide a written notice to an apparent low bidder, pursuant to Public Contract Code section 22038. Furthermore, the District shall have the option of any of the following:
  - (i) Abandon the project;
  - (ii) Rebid the purchase or project using the appropriate bidding procedures; or



## Procurement Policy and Procedures

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- (iii) Perform the project by force account without further complying with Public Contract Code section 22020 et seq., after the Board passes a resolution by a four-fifths (4/5th) vote of its governing body declaring that the project can be performed more economically by District employees.
- (h) *Tie bids.* If two (2) or more bids are received from responsive and responsible bidders for the same total amount or unit price, and are the lowest, the District may accept the bid it chooses.
- (i) *Written contracts.* Written contracts in the form approved by the District Legal Counsel shall be used in the award of bids.
- (j) *Bidders' security.* Security will be required in an amount equal to ten percent (10%) of the bid quotation as described in the Public Contract Code. Upon an award to the lowest bidder, the security of an unsuccessful bidder shall be returned in a reasonable period of time, but in no event shall that security be held by the district beyond sixty (60) days from the time the award is made.
- (k) *Bonds.* Bidders for construction contracts shall give bonds for the faithful performance of the construction contract.

### **Section 4.06 Informal Bidding Procedures**

Except as otherwise provided in subsections (a), (d), and (e) of Section 4.01 and in Section 4.02 of this article, the solicitation of bids may be authorized by the Purchasing Agent and the award of contracts for public projects with an estimated value in the amount of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) or less may be made by the General Manager in accordance with the requirements of the Public Contract Code section 22032, et seq., and the following informal bidding procedures:

- (a) *Budgetary authorization.* The bid items shall have been authorized as a part of an approved budget of the District, and the purchase or contract shall not exceed the amount so authorized.
- (b) *Contractor's List.* A list of contractors shall be developed and maintained in accordance with the provisions of section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.
- (c) *Notices inviting bids.* Notices inviting bids shall be prepared describing the bid items in general terms; referencing how to obtain more detailed information about the bid items; and stating the time, date, and place for the submission of sealed bids.
- (d) *Mailing of notices.* Notices inviting informal bids shall be mailed at least ten (10) calendar days before the due date of the submission of bids as follows:
  - (i) Mailed to all firms on the bidders list or contractors list for the category of work being bid;
  - (ii) For bid items defined as public projects, mailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission; and
  - (iii) Other mailings, advertisements, and notifications as deemed appropriate by the purchasing agent.

## Procurement Policy and Procedures

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- (e) *Bids received in excess of One Hundred Seventy-Five Thousand Dollars (\$175,000.00).* If all bids received are in excess of One Hundred Seventy-Five Thousand Dollars (\$175,000.00), the Board may award the contract to the lowest responsive and responsible bidder by adoption of a resolution by a four-fifths (4/5ths) vote if the purchasing agent determines the cost estimate was reasonable and the low bid does not exceed One Hundred Eighty-Seven Thousand Five Hundred Dollars (\$187,500.00).

### **Section 4.07 Formal Bidding Procedures**

Except as provided in subsections (d) and (e) of Section 4.01 of this article, the solicitation of bids and award of contracts for public projects with an estimated value in excess of One Hundred Seventy-Five Thousand Dollars (\$175,000.00) shall be made in accordance with the requirements of the Public Contract Code section 22031 et seq., and the following formal bidding procedures:

- (a) *Plans and specifications.* The Board shall adopt any plans, specifications, and working details as appropriate for the bid items prior to a solicitation for formal bids.
- (b) *Notices.* Notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly describe the project.
- (c) *Sending, mailing, and publishing of notices.* Notices inviting formal bids shall be published, sent, and mailed as follows:
  - (i) For bid items defined as public projects, sent electronically, by either facsimile or electronic mail and mailed to all construction trade journals designated by the California Uniform Construction Cost Accounting Commission at least fifteen (15) calendar days before the date of the bid opening;
  - (ii) Sent electronically, by facsimile or electronic mail, or mailed to all firms on the bidders list at least fifteen (15) calendar days before the date of the bid opening;
  - (iii) Published at least once in a newspaper of general circulation, printed and published in the District, at least fourteen (14) calendar days before the date of the bid opening, or in a manner as authorized by Public Contract Code section 22037 if there is no newspaper of general circulation; and
  - (iv) Other mailings, advertisements, and notifications deemed appropriate by the department head of the requesting agency.

### **Section 4.08 Local Business Preference**

The District recognizes that local businesses make significant contributions to the economic health of the District. The District supports local business opportunities, which encourage businesses to move into and stay within the District, promote economic development and maintain a strong local economic base, which in turn foster economic growth in the District. Therefore, the Board has determined it is in the District's best interest to establish and provide a preference to local businesses.



- (a) *Competitive bid process.* The General Manager is authorized to extend a preference to a responsible and responsive local business in a competitive bid for a public project not to exceed five percent (5%) of the local business's total bid price, or Two Thousand Five Hundred Dollars (\$2,500.00), whichever is lower, for the purpose of determining the lowest bid.
- (b) *Local preference.* When a non-local business has submitted the lowest responsive and responsible bid, and when one or more local businesses have also bid, the local business's total bid amount will be reduced by five percent (5%) for bid comparison purposes. If the net amount is lower than the lowest bid, the bid will be awarded to the local business for the full amount of its bid.
- (c) *Local business.* For purposes of this chapter, "local business" means a vendor or contractor that has an office with at least one (1) employee physically located within the District.
- (d) *Exemptions.* The local business preference does not apply to the following:
  - (i) Contracts funded by grants which prohibit the use of preferences, and
  - (ii) Contracts for services.

## ARTICLE V. CONTRACTS FOR PROFESSIONAL AND CONSULTING SERVICES

### **Section 5.01 Contracting Procedures**

Contracts for consultant/professional services shall be made pursuant to the provisions of this article.

### **Section 5.02 Architectural, Landscape Architectural, Professional Engineering, Environmental, Land Surveying, and Construction Management Services**

- (a) Procurements for architectural, landscape architectural, professional engineering, environmental, land surveying, and construction management services contracts shall comply with this section and Section 5.03.
- (b) *Selection.* Contracts for architectural, landscape architectural, engineering, environmental, land surveying, and construction management services are subject to the provisions of this article and shall be awarded in accordance with the California Government Code section 4525 et seq. Selection process will be designed to select the most qualified firm to provide the desired services at a reasonable price. Selection will not be solely based on price; however, price may be a factor in selecting a firm. If price will be a factor, it will be discussed in the RFP, along with the method used to consider price.
- (c) *Maximum Participation of Small Business Firms.*
  - (i) Definition of Small Business. "Small business," as used in this section, shall have the same definition in Government Code section 14837(d)(1).
  - (ii) Quotes. The District shall attempt to obtain at least two (2) quotes or proposals from a small business, where this article requires quotes or RFPs under Section 5.03.

## Procurement Policy and Procedures

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- (d) *Prohibition of Unlawful Activity.* The District specifically prohibits practices which might result in unlawful activity, including but not limited to rebates, kickbacks, or other unlawful consideration. The District also prohibits its employees from participating in the selection process when those employees have a financial interest with an individual or business entity seeking a contract under this Section and would be subject to the prohibition of Government Code section 87100.

### **Section 5.03 Procurement**

- (a) *Procurement of Professional and Consultant Services: \$45,000.00 or Less.*
  - (i) Informal Request for Proposal Procedure. Except as set forth herein, the procurement of consultant or professional services with a value of Forty-Five Thousand Dollars (\$45,000.00) or less shall be made following the procedure prescribed below:
    - (1) Solicitation of Proposals. The General Manager may solicit proposals by written (including e-mail) or verbal request to prospective consultants. Informal requests for proposals shall attempt, whenever feasible, to obtain at least three (3) proposals.
    - (2) Award of Contracts. The General Manager shall award contracts pursuant to this subdivision to the best qualified and most responsible proposer, which may not necessarily be the lowest priced proposal. The dollar amount of the proposal shall be considered but the award need not be made to the lowest dollar proposal.
    - (3) Signature Authority. The General Manager shall have the authority to execute a contract granted pursuant to this section. Such contracts shall be formal written agreements executed by the General Manager on behalf of the District.
  - (ii) Exceptions. The General Manager may dispense with the informal RFP procedure, whether the informal RFP procedure has been initiated or not, for the reasons set forth below:
    - (1) In an emergency;
    - (2) When the services can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager;
    - (3) When, in the judgment of the General Manager, compliance with the procedure is not in the best interest of the District; or
    - (4) When processed through a cooperative purchasing agreement with another public agency, whose procurement process is substantially consistent with the provisions of this article.

## Procurement Policy and Procedures

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- (b) *Procurement of Professional and Consultant Services: More than \$45,000.00.*
- (i) Formal Request for Proposal Procedure. Except as set forth herein, the procurement of consultant or professional services with a value of more than Forty-Five Thousand Dollars (\$45,000.00) shall be made following the procedure prescribed below:
- (1) Solicitation of Proposals. The General Manager shall solicit proposals by written (including e-mail) or verbal request to prospective consultants. Informal requests for proposals shall, whenever feasible, be based on at least three (3) proposals.
  - (2) Award of Contracts. The Board shall award contracts pursuant to this subdivision to the best qualified and most responsible proposer, which may not necessarily be the lowest priced proposal. The dollar amount of the proposal shall be considered but the award need not be made to the lowest dollar proposal.
  - (3) Signature Authority. The Board President, or General Manager with the Board's approval, shall have the authority to execute a contract granted pursuant to this section. Such contracts shall be formal written agreements executed by the Board President, or General Manager on behalf of the District.
- (ii) Exceptions. The Board may dispense with the informal RFP procedure, whether the informal RFP procedure has been initiated or not, for the reasons set forth above under subdivision (a)(ii).

## **ARTICLE VI. PURCHASING AND CONTRACTING FOR FEDERAL GRANTS**

### **Section 6.01 Codified Guidance**

The Code of Federal Regulations (CFR) lists the general and permanent rules published in the Federal Register by each of the executive departments and agencies of the Federal Government. The CFR is a systematic collection of rules that are published in the Federal Register by the executive departments and agencies within the Federal government. It is divided into different Titles which represent areas subject to Federal regulation. Regulations are created through an enabling statute of Congress and serve as administrative law.

The Office of Management and Budget (OMB) is charged with the responsibility of the oversight and preparation of the Federal budget, in addition to the supervision of the budget of the various Federal agencies. OMB oversees and coordinates the Administration's procurement, financial management, information, and regulatory policies and serves on behalf of the President of the United States in developing government-wide policies which aid in ensuring that Federal grants are managed properly and that Federal grant monies are spent in accordance with applicable laws and regulations.

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## Procurement Policy and Procedures

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OMB issued what is commonly referred to as its "Super Circular" or Uniform Grants Guidance (UGG) effective December 26, 2014, with an option to elect July 1, 2018 as the grace period option effective date. The District has elected this grace period effective date. The following summarizes the revisions to the guidance for Federal Award Programs:

- Supersedes and streamlines various OMB Circulars
- Aims to be more efficient, effective and transparent
- Strengthen oversight of federal funds to reduce waste, fraud, and abuse
- Review UGG (Title 2, Subtitle A, Chapter II, Part 200)

UGG §200.317-326 specifically relates to procurement and are incorporated in this policy in the sections that follow.

### Section 6.02 Competition (OMB §200.319)

- (a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:
  - (i) Placing unreasonable requirements on firms in order for them to qualify to do business;
  - (ii) Requiring unnecessary experience and excessive bonding;
  - (iii) Noncompetitive pricing practices between firms or between affiliated companies;
  - (iv) Noncompetitive contracts to consultants that are on retainer contracts;
  - (v) Organizational conflicts of interest;
  - (vi) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
  - (vii) Any arbitrary action in the procurement process.
- (b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
- (c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
  - (i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

## Procurement Policy and Procedures

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- (ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- (d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

### **Section 6.03 Methods of Procurement (OMB §200.320)**

- (a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (\$200.67 Micro-purchase). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.
- (b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- (c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.
  - (i) In order for sealed bidding to be feasible, the following conditions should be present:
    - 1) A complete, adequate, and realistic specification or purchase description is available;
    - 2) Two or more responsible bidders are willing and able to compete effectively for the business; and
    - 3) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
  - (ii) If sealed bids are used, the following requirements apply:
  - (iii) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;
  - (iv) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
  - (v) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;



## Procurement Policy and Procedures

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- (vi) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (vii) Any or all bids may be rejected if there is a sound documented reason.
- (d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:
  - (i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
  - (ii) Proposals must be solicited from an adequate number of qualified sources;
  - (iii) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
  - (iv) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
  - (v) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- (e) [Reserved]
- (f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
  - (i) The item is available only from a single source;
  - (ii) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - (iii) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
  - (iv) After solicitation of a number of sources, competition is determined inadequate.

### **Section 6.04 Contracting with Small and Minority Businesses (OMB §200.321)**

- (a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- (b) Affirmative steps must include:
  - (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  - (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
  - (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
  - (v) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
  - (vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

### **Section 6.05 Procurement of Recovered Materials (OMB §200.322)**

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.



### **Section 6.06 Contract Cost and Price (OMB §200.323)**

- (a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.
- (b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.
- (c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.
- (d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

### **Section 6.07 Federal Awarding Agency or Pass-through Entity Review (OMB §200.324)**

- (a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
- (b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:
  - (i) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this part;
  - (ii) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
  - (iii) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

## Procurement Policy and Procedures

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- (iv) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
  - (v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.
- (c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this part.
  - (i) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;
  - (ii) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

### **Section 6.08 Bonding Requirements (OMB §200.325)**

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:



## Procurement Policy and Procedures

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- (a) A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
- (b) A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
- (c) A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

### **Section 6.09 Contract Provisions (OMB §200.326)**

The non-Federal entity’s contracts must contain the applicable provisions described in Appendix II to Part 200— Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

AGENDA ITEM 9.E

ATTACHMENT 2

Resolution 2012-18 - GM Purchasing Authority

**RESOLUTION NO. 2012 - 18**

**OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT  
CONFIRMING THE AUTHORIZATION OF THE GENERAL MANAGER TO  
PURCHASE GOODS AND SERVICES ON BEHALF OF THE DISTRICT**

**WHEREAS**, from time to time the General Manager purchases goods and services on behalf of the District; and

**WHEREAS**, the payment of such goods and services are approved by the Board of Directors; and


**WHEREAS**, the Board wishes to hereby confirm its authorization for the General Manager to purchase goods and services on behalf of the District provided that each payment for the goods and services is approved by the Board.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:**

1. The Board hereby confirms the authority of the General Manager to purchase goods and services and enter into contracts on behalf of the District in an amount not to exceed \$10,000, provided that the payments for the goods and services are approved by the Board. The Board hereby ratifies all such contracts entered into by the General Manager on behalf of the District, provided that the payments for such goods and services are approved by the Board under the account payable section of the agenda.
2. The Board from time to time authorizes the General Manager to enter into contracts for professional services in excess of \$10,000 on behalf of the District. The Board hereby ratifies all such contracts entered into by the General Manager on behalf of the District, provided that the payments for such professional services are approved by the Board under the accounts payable section of the agenda.
3. At any time the Board may reconsider and establish new or additional purchasing procedures for the General Manager.

PASSED AND ADOPTED at a regularly held meeting of the Board of Directors of the GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT this THIRTEENTH day of NOVEMBER, 2012.

AYES: Griffiths, Krizl and Neeley  
NOES: McLane and Otermat  
ABSENT/ABSTAIN: None

  
\_\_\_\_\_  
Ray Griffiths, President  
Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

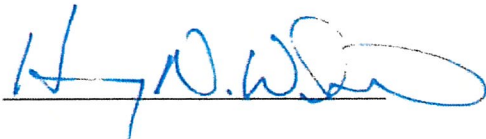
ATTEST:

  
\_\_\_\_\_  
Henry N. White, Clerk and ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT



CERTIFICATION

I hereby certify that the foregoing is a full, true and correct copy of Resolution No.: 2012-18 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on the thirteenth day of November, 2012.



Henry N. White, Clerk and Officio

Secretary, Board of Directors

Georgetown Divide Public Utility District

AGENDA ITEM 9.E

ATTACHMENT 2

Resolution 2018 - 46 - GM Procurement Policy

**RESOLUTION NO. 2018-46**  
**OF THE BOARD OF DIRECTORS OF THE**  
**GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT**  
**ADOPTING A REVISED PROCUREMENT POLICY**

**WHEREAS**, the Board of Directors of the Georgetown Divide Public Utility District ("District") adopted a Procurement Policy on February 13, 2018; and

**WHEREAS**, Article IV Purchasing and Contracting for Public Projects and Article V Contracts for Professional and Consulting Services of the adopted Procurement Policy identify that cooperative agreements may be used for public projects and professional services; and

**WHEREAS**, Section 4.01(e) clearly states that the policy is not to be construed to prohibit cooperative agreements, arrangements, or programs; and

**WHEREAS**, Article III Purchasing and Contracting for Supplies and Equipment does not mention cooperative agreements; and

**WHEREAS**, Cooperative agreements and piggybacking are extremely helpful in reducing costs and administrative burden when purchasing supplies and equipment; and

**WHEREAS**, The District wishes to clarify that the intent of the policy is to allow cooperative agreements, arrangements, or programs for supplies equipment; and

**WHEREAS**, Effective on July 1, 2018, Code of Federal Regulations 2 CFR 200.317-326 requires that non-Federal agencies adopt provisions that apply to procurement for projects receiving Federal funds; and

**WHEREAS**, The District wishes to be eligible to receive Federal grants; and

**WHEREAS**, the Procurement Policy which was adopted by Resolution 2018-15 increased the General Manager contract authority to \$45,000, while Resolution 2012-18 states that the General Manager contract authority is limited to \$10,000; and

**WHEREAS**, Section 2.3B of the General Manager's Employment Agreement states that the General Manager contract authority is \$10,000, consistent with District Ordinance (Resolution) 2012-18, or any modification thereto, which sets forth the General Manager's contracting authority; and

**WHEREAS**, the Revised Procurement Policy, dated October 9, 2018 was presented to and reviewed by the Board on October 9, 2018.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT THAT**

1. This resolution and the terms and provisions of the attached Procurement Policy supersede Resolution 2012-18 and are considered a modification as described in Section 2.3B of the General Manager Employment Agreement.
2. The attached Revised Procurement Policy is approved.

**PASSED AND ADOPTED** by the Board of Directors of the Georgetown Divide Public Utility District at a meeting of said Board held on the 9<sup>th</sup> day of October 2018, by the following vote:

AYES:

NOES:

ABSENT/ABSTAIN:

\_\_\_\_\_  
Londres Uso, President, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

*Attest:*

\_\_\_\_\_  
Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT

### **CERTIFICATION**

I hereby certify that the foregoing is a full, true and correct copy of Resolution 2018-46 duly and regularly adopted by the Board of Directors of the Georgetown Divide Public Utility District, County of El Dorado, State of California, on this 9<sup>th</sup> day of October 2018.

\_\_\_\_\_  
Steven Palmer, Clerk and Ex officio  
Secretary, Board of Directors  
GEORGETOWN DIVIDE PUBLIC UTILITY DISTRICT