



Providing Outstanding Service Since 1963

**Board of Directors**

Leon Shapiro, Chair

Jane Nye, Vice Chair

Janna Orkney, Director

Raymond Tjulander, Director

James Wall, Director

February 28, 2022

Board of Directors  
Triunfo Water & Sanitation District  
Ventura County, California

**TWSD PURCHASING POLICY - RESOLUTION NO. TWSD 2022-005**


**Summary**

Historically, based on the Triunfo Water & Sanitation District's (District) contractual relationship with VRSD, the District has utilized VRSD's Purchasing Policy. The District's recent decision to transition from VRSD contract services has resulted in the need for the District to develop and adopt a specific TWSD Purchasing Policy. Staff recommends that the Board review and approve the Purchasing Policy and authorize the Chair to sign TWSD Resolution No. TWSD 2022-005 to adopt the policy provisions.

**Recommendation:**

It is recommended the Board adopt Resolution No. TWSD 2022-005, TWSD Purchasing Policy and hereby rescind TSD Resolution No. T01-05.

  
VICKIE DRAGAN - DIRECTOR OF FINANCE

REVIEWED AND APPROVED:   
Mark Norris - General Manager

**Attachments:** TWSD Resolution No. TWSD 2022-005, TWSD Purchasing Policy (2/28/22)

This page is intentionally blank.

# TRIUNFO WATER & SANITATION DISTRICT

## RESOLUTION NO. TWSD 2022-05

A RESOLUTION OF THE BOARD OF DIRECTORS OF TRIUNFO WATER & SANITATION DISTRICT PERTAINING TO THE PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES; CONSULTANT CONTRACT AND PROCEDURE AND DISPOSITION OF SURPLUS PERSONAL PROPERTY

WHEREAS, the TRIUNFO WATER & SANITATION DISTRICT (“District”) had adopted a policy governing the purchasing, contracting and disposition of surplus personal property, pursuant to Triunfo Water & Sanitation District Resolution No. 2022-005; and

WHEREAS Resolution No. T01-05 adopted the Ventura Regional Sanitation District’s purchasing resolution (VRSD Resolution No. 89-13) for utilization by the District; and

WHEREAS the Board of Directors of the Triunfo Water & Sanitation District now wishes to establish its own purchasing policy which is necessary for the efficiency of critical public health and safety operations to delegate responsibility and authority to the appropriate officials who will carry out those responsibilities on a day to day basis.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF TRIUNFO WATER & SANITATION DISTRICT DOES HEREBY FIND AND RESOLVE AS FOLLOWS:

1. The terms of the Triunfo Water & Sanitation District Purchasing Policy attached hereto as Exhibit A, are hereby incorporated by reference and shall constitute the Triunfo Water & Sanitation District Purchasing Policy, effective February 28, 2022.
2. This resolution shall supersede, rescind and replace Resolution No. T01-05 of the District.

PASSED AND ADOPTED by the Board of Directors of Triunfo Water & Sanitation District, the 28<sup>th</sup> day of February, 2022, by the following vote:

AYES:

NOES:

ABSENT: None

ABSTAIN: None

---

Leon Shapiro, Chair

ATTEST:

---

Fidela Garcia, Clerk of the Board

APPROVED AS TO FORM:

---

John Mathews, District Counsel



# **Purchasing Policy**

Effective February 28, 2022

## TABLE OF CONTENTS

|       |   |    |
|-------|---|----|
| I.    | INTRODUCTION .....  | 1  |
| II.   | CONFLICTS OF INTEREST .....   | 1  |
| III.  | SCOPE .....   | 2  |
| IV.   | ORGANIZATION .....  | 2  |
| V.    | PROCUREMENT ADMINISTRATIVE GUIDELINES.....                            | 2  |
| VI.   | EXCLUDED FROM PURCHASING POLICY .....                                 | 2  |
| VII.  | GENERAL PURCHASING REQUIREMENTS.....                                  | 3  |
| VIII. | CONTRACT ADMINISTRATION.....  | 4  |
| IX.   | PURCHASING OF GOODS OR SERVICES.....                                  | 4  |
| A.    | Goods less than \$2,500.....  | 5  |
| B.    | Goods of at least \$2,500 and less than \$35,000.....                 | 5  |
| C.    | Goods of \$35,000 or more.....  | 6  |
| D.    | Purchases of Services less than \$2,500 .....                         | 7  |
| E.    | General Requirements for Purchasing Services of \$2,500 or more ..... | 8  |
| X.    | EXCEPTION TO COMPETITIVE BIDDING.....                                 | 8  |
| A.    | EMERGENCIES .....   | 8  |
| B.    | COOPERATIVE PURCHASING AGREEMENTS or PIGGYBACKING .....               | 9  |
| C.    | PREQUALIFICATION OF VENDORS.....                                      | 10 |
| D.    | SOLE SOURCE and PROPRIETARY VENDORS .....                             | 10 |
| XI.   | OTHERS.....   | 11 |
| A.    | CHANGE ORDERS .....   | 11 |
| B.    | INSURANCE .....   | 12 |
| C.    | MULTI-YEAR CONTRACTS.....   | 12 |
| D.    | SURPLUS PROPERTY DISPOSAL .....                                       | 13 |
| E.    | PURCHASING CREDIT CARD PROGRAM .....                                  | 13 |
| F.    | TAX .....   | 13 |
| XII.  | PURCHASING DOCUMENTS.....   | 13 |

## **RESOLUTION NO. TWSD 2022-005**

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF TRIUNFO WATER & SANITATION DISTRICT PERTAINING TO THE PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES; CONSULTANT CONTRACT AND PROCEDURE AND DISPOSITION OF SURPLUS PERSONAL PROPERTY**

**The Board of Triunfo Water & Sanitation District resolves as follows:**

#### **INTRODUCTION**

Purchasing is a critical function for successful delivery of services to our rate-payers. As a government entity, the District has a fiduciary duty to protect public resources by ensuring District funds are expended wisely. The Purchasing Policy (Policy) ensures the District fulfill this responsibility and complies with applicable laws and regulations, Generally Accepted Accounting Procedures (GAAP), and Internal Controls recommended by the State of California regarding public purchasing.

Wherever in this Policy the General Manager is the designated authority, such authority shall be understood to include the designee of the General Manager.

The District's Purchasing Policy is guided by the following seven fundamental principles:

1. Foster open competition for District contracts;
2. Promote economy and efficiency in District procurement activities;
3. Ensure adherence to proper standards of conduct by District Board members, officers and employees to guard against corruption, fraud, waste and abuse;
4. Maintain procurement policies and procedures that ensure compliance with applicable state and federal laws and regulations;
5. Establish and maintain an arm's length relationship with all vendors;
6. Treat all prospective contractors, consultants, and vendors in a fair and equitable manner; and
7. Provide appropriate public access to contracting information.

#### **CONFLICTS OF INTEREST**

No director, officer, employee or agent of the District shall participate in any procedure, tasks, or decisions relative to initiation, evaluation, award, or administration of a contract if a conflict of interest, real or apparent, exists. Such a conflict of interest arises when (a) the director, officer, employee or agent, (b) any member of his or her immediate family, (c) his or her business associate, or (d) an organization which

employs, or which is about to employ, any of the above described individuals has a financial or other interest in a firm that participates in a District procurement process or that is selected for an award. The standards governing the determination as to whether such an interest exists are set forth in the Political Reform Act (Section 8100 et seq. of the California Government Code) and in Sections 1090, 1091, and 1091.5 of the California Government Code.

## **SCOPE**

This Purchasing Policy applies to all purchases for goods or services except as noted below.

**The Purchasing Policy does not apply to public projects.** Public projects as defined in the Uniform Public Construction Cost Accounting Act<sup>1</sup> shall be administered by the General Manager.

## **ORGANIZATION**

The Policy includes a summary of Roles and Responsibilities, General Purchasing Requirements, detailed step-by-step instructions to complete each type of purchase, and a link to the District's intranet purchasing page containing frequently used purchasing forms.

## **PROCUREMENT ADMINISTRATIVE GUIDELINES**

This Policy sets forth the standards and methods to be followed by the District in obtaining goods and services. The District has, in place, the Procurement Administrative Guidelines that set forth implementing guidelines and procedures consistent with applicable law, best procurement practices, and this Procurement Policy. The General Manager shall have the authority to maintain and update, as necessary, the Procurement Administrative Guidelines to give effect to this Policy and may make subsequent revisions, if necessary, to implement changes in applicable laws and regulations and best procurement practices and standards, or other well accepted external references.

---

California Public Contracts Code Section 22000, et seq.



## **EXCLUDED FROM PURCHASING POLICY**

A non-exclusive list of examples of non-discretionary services not governed under this policy includes, but is not limited to:

1. Electrical, water, or other regulated utility services provided by a municipality or vendor
2. Advertisements placed in a newspaper of general circulation
3. Non-discretionary Payments to other government agencies
4. Association dues
5. Inventory items

## **GENERAL PURCHASING REQUIREMENTS**

The following guidelines apply to all purchases.

- All purchases of goods over \$2,500 and less than \$35,000 require at least three quotes, or a Waiver of Competitive Purchase Form approved by the General Manager. (Exception: Emergency purchases, page 9).
- All purchases are required to comply with the District's insurance requirements detailed on page 13.
- All purchases for similar goods or services completed in the same fiscal year are considered for the purpose of determining the applicable purchasing process. Purchases may not be split to fall under a less restrictive purchasing requirement.
- The District considers the total amount of similar purchases with the same vendor in determining the applicable process. For example, if one Division purchases a good or service from Company A and another Division purchases the same or substantially similar good or service from the same company, the total of the combined purchases should be considered. Additionally, if a purchase has options (either time or quantity), the total amount for options need not be considered. For example, if a Division obtains quotes to provide a chemical for one year with four, one-year options to extend, the dollar amount over the initial one-year period is considered when determining the process to follow.
- Only the General Manager or designee has the authority to sign contract agreements, regardless of total dollar amount.
- Purchase orders may be approved based on approval limits established by the General Manager and listed in the most current Purchasing Authorization Limits for District Employees memorandum.
- Purchase orders will not be issued "after the fact". If a purchase is completed

- outside of the established purchasing guidelines, a “Check Request” must be completed and approved by the General Manager prior to payment.
- The District utilizes two types of purchase orders for goods
    - Standard Purchase Order
    - Department Emergency Purchase Order
  - Blanket Contracts are used for repetitive purchases for goods.
  - Each employee who completes a purchase is responsible for ensuring that required purchasing processes are followed.

## **CONTRACT ADMINISTRATION**

The District routinely utilizes the services of vendors, suppliers, service providers, and contractors for a variety of operational needs. These include, but are not limited to, the acquisition of equipment, supplies, materials, goods, maintenance services, and construction or renovation of District facilities. All contracts should include, but shall not be limited to, the following provisions:

- (1) The term or length of contract;
- (2) Description of work to be performed or services/products to be provided;
- (3) Schedule for performance;
- (4) Indemnity, insurance and bonding requirements;
- (5) Warranties and/or guarantees if applicable;
- (6) Payment schedule; and
- (7) Conditions for termination of contract.

Except as otherwise provided in this Purchasing Policy, this Policy shall not apply to the performance of, contracting for, or the doing of any “public project” or “maintenance work” as such terms are defined in Public Contract Code Section 22002.

## **PURCHASING OF GOODS OR SERVICES**

This portion of the Policy provides step-by-step guidelines for purchasing goods or services and provides information on what types of documentation needs to be maintained in support of the purchase.

### Good or Service

Whether you are purchasing a good or a service determines which process you need to follow.

- A “Good” is the purchase of a commodity or an item for the District’s use or consumption; supplies or purchases other than real property or services. Typical examples are those items found in the District’s warehouse, office

supplies, or chemicals used in District operations.

- A “Service” is a technical, professional, or other work where the District is procuring the labor or the development of a work product (e.g. a study or custodial) and requires the use of a contract such as Professional Services Agreement (e.g. landscape architect design), Contractual Services Agreement (e.g. landscape maintenance service), or vendor contract approved by District legal counsel.

It is important to ensure that you follow the proper process based on whether you are purchasing a good or a service. Contact either the District Managers or Director of Finance, if you are unsure whether your purchase is a good or a service.

## PURCHASES OF GOODS

### A. Goods less than \$2,500

#### Methods of Purchasing

- District Credit Card (purchasing card)
- Check Request

Purchases under \$2,500 do not require a Requisition or a Purchase Order unless required by the vendor prior to delivery of the good. The District considers the total amount of similar purchases with the same vendor during each Fiscal Year in determining the applicable process.

#### Documentation to Retain

Small purchases under \$2,500 do not require a competitive process and the Department is not required to retain any documentation. The Finance Division will retain a copy of the invoice or receipt that was approved for payment.

### B. Goods of at least \$2,500 and less than \$35,000

Purchases that are at least \$2,500 but less than \$35,000 represent the majority of all District purchases. The method of purchase will depend on whether it is a routine purchase, if there is a Blanket Contract already in place, or if the purchase is an emergency. Most purchases will be a standard Purchase Order.

#### Methods of Purchasing

Purchase Orders are used to purchase goods expected to cost at least \$2,500 and less than \$35,000. Purchase Orders are generated by Finance upon receipt of an approved requisition.

- Purchase Order: Used for all purchases not covered by another method on this list.

- Blanket Contract: Used to purchase goods that the District needs to procure on an on- going basis throughout the Fiscal Year.
- Department Emergency Purchase Order: Used when an item is needed quickly to prevent potential interruption of service, restore required redundancy or avoid additional damages. Examples of Emergency Purchases include those for repair of a failed pump at a sewer lift station, or replacement of a faulty water pump.

#### Documentation Required

All Purchases of at least \$2,500 and less than \$35,000 require an informal competitive process; the Department is required to provide documentation of at least three quotes or proposals with Purchase Order. The Finance Division will retain a copy of the quotes received, purchase order, and invoice or packing list that was approved for payment in a centralized file.

If the good is only available from one source, a “Waiver of Competitive Purchase” form, available on the intranet, must be approved by the General Manager. If quotes or proposals are requested by multiple firms and only one quote or proposal is received, documentation supporting the solicitation of quotes or proposals must be maintained.

### **C. Goods of \$35,000 or more**

Purchases of goods \$35,000 or more require a formal bid process, including advertising and posting on the District’s website. The Engineering Program Manager generally has the lead in all purchases of goods over \$35,000.

#### Methods of Purchasing

There are two types of Purchase Orders used to purchase goods expected to cost at least \$35,000. Purchase Orders are generated by Finance upon receipt of an approved requisition after Board approval.

- Purchase Order: Used for all purchases not covered by another method in this list.
- Emergency Purchase Order: Used when an item is needed quickly to prevent potential interruption of service, restore required redundancy or avoid additional damages. Example of an Emergency Purchase includes those for repair of a failed pump at a sewer lift station.

#### Documentation to Retain-Purchase Order:

Bid preparation documents, Board communications, bids, and resulting Purchase Orders will be maintained in a centralized file. The Finance Division will retain a copy of the invoice or packing list that was approved for payment with the Purchase Order in the centralized file.

#### Documentation to Retain-Emergency Purchase Order:

Operations Manager and General Manager approval prior to purchase, quote(s), and resulting Board communications must be attached to resulting Purchase Order. The

Finance Division will retain a copy of the invoice or packing list that was approved for payment with the Purchase Order in the centralized file.

## PURCHASES OF SERVICES

There are five types of contracts used by the District for the purchase of services:

- Contractual Services Agreement “CSA” are used for work where specialized experience, capabilities or skill are required to provide a service to the District that is predominately or significantly manual labor and often performed on District property. In such cases, quality of work, experience, warranty and ability to meet specified District needs are considered in addition to price. Examples of contractual services are maintenance of buildings, custodial, landscape, and meter reading services.
- Professional Services Agreement “PSA” are used for work where specialized, knowledge, experience, or capabilities are required to provide a service that results in a study, document, or plans that often require a specified license or specialized knowledge to complete and the majority of work is usually performed at a consultant’s office. Examples of professional services are legal, insurance, architects, engineers, and audits.
- Short Form Contract “SFC” are for services under \$35,000 where work is determined to be low value/low risk by Department Manager.
- Vendor Contract “VC” vendor contracts which have been reviewed and approved by District legal counsel may be used for specialized services requiring additional clauses. The General Manager designate the process for contacting District counsel for legal review.

Only the General Manager or designee is authorized to sign contracts.

### **D. Purchases of Services less than \$2,500**

#### Methods of Purchasing

- District Credit Card
- Check Request

Purchases under \$2,500 do not require an agreement or contract unless the Department has identified a particular risk that a contract would mitigate.

#### Documentation to Retain

Small purchases under \$2,500 do not require a competitive process and the Department is not required to retain any documentation. The Finance Division will retain a copy of the

invoice or receipt that was approved for payment.

**E. General Requirements for Purchasing Services of \$2,500 or more**

Contractual Services Agreements (CSA), Professional Services Agreement (PSA), Short Form Contract (SFC) or Vendor Contracts (VC):

Contract agreements are required for all services \$2,500 and over. The contract agreements may be generated under direction of the Department’s Manager and must adhere to District purchasing policies and procedures. Only the General Manager or designee has signing authority for contract agreements.

Purchases of Services less than \$35,000 require an informal Request for Proposals (RFP) process while services \$35,000 and above require a formal RFP process. A contract agreement is executed between Vendor and the District. In some instances, a vendor contract approved by District counsel may be used.

General Request for Proposals (RFP) Guidelines

Written proposals must be used for selecting contractual services of at least \$2,500 and less than \$35,000 to allow for consideration of the services offered in conjunction with cost. Any selection made without a competitive process must have a “Waiver of Competitive Purchase” form approved by the General Manager.

Proposals are handled similar to the competitive bid process, by the requesting department; however, they are evaluated and awarded on a point system or other rating system, not overall cost. For informal proposals, no advertising is necessary. Informal RFPs often don’t have the same level of detail as formal RFPs but should have sufficient written scope of work to ensure comparable responses are received. Some general guidelines for all RFPs include:

- i) All potential proposers must receive the same information.
- ii) An Evaluation team shall be established;
- iii) Evaluation criteria shall be in place prior to release of the RFP;
- iv) A proposal submittal deadline is set. (The proposals are not publicly opened.)

Documentation to Retain

A copy of the RFP, RFQ or other solicitation of proposals, all proposals received, and any evaluation sheets used are retained by the Department. A copy of the Board report, contract and all invoices and payments will be retained by the Finance Division.

**EXCEPTION TO COMPETITIVE BIDDING**

**A. EMERGENCIES**

- (1) Emergency purchases of \$35,000 or more may be made without formal bids, informal bids, or requests for proposals under this Emergency section.

- (a) When a meeting of the Board can be commenced in a timely manner to authorize emergency action, by 4/5's vote, the Board shall be requested to authorize procurement of works of improvement, professional services, or goods and services without formal bids, informal bids, or requests for proposal. Such authorization shall be based on substantial evidence set forth in the minutes of the meeting that the emergency will not permit delay and action is necessary to respond to the emergency. Until the emergency subsides or the work is complete, at each subsequent regular meeting, the board shall determine by 4/5's vote whether to continue to terminate the authorization for emergency.
  - (b) When a meeting of the Board cannot be commenced in a timely manner to authorize emergency action, the General Manager may authorize procurement of works of improvement, professional services, or goods or services without formal bids, informal bids, or requests for proposal. The General Manager shall report to the board within 7 days of the emergency or at the next regular meeting scheduled within 14 days after the procurement. The report shall describe the emergency and present evidence that the emergency did not permit delay and action was necessary to respond to the emergency. Until the emergency subsides or the work is complete, at each subsequent regular meeting following the General Manager's action, the board shall determine by 4/5's vote whether the need for emergency action continues.
- (2) Urgent purchases under \$35,000 may be made without informal bids or requests for proposals following procedures established by the General Manager.

**B. COOPERATIVE PURCHASING AGREEMENTS or PIGGYBACKING**

Purchases may be made from other public agencies (special districts, municipalities, county or state) existing competitively bid contracts, Joint Powers Agreements, Cooperative Purchasing Programs, Pooling Agreements, and other recognized types of agreements used by the government to combine agency requirements for purchases. "Piggyback" contracts for products, equipment, and services entered into by another public agency through a competitive bid process are allowed.

- 1) The prices paid must be competitive, with comparable products offered in the market place;
- 2) Cooperative purchasing agreements may be used without soliciting further quotes or bids;
- 3) All other District purchasing procedures must be followed;
- 4) Purchases of \$35,000 and over require formal Board approval;
- 5) Documentation to verify the contract and bid process from the original solicitation must be obtained and retained with resulting Purchase Order or contract;
- 6) All products, equipment, or services purchased under this provision must substantially meet the technical specifications of the original solicitation.

Major deviations from the product specification will not be allowed; however minor modifications that do not materially alter the price of the originally bid equipment or products are authorized;

- 7) A Waiver of Competitive Purchase Form must be completed for all cooperative purchases.

**C. PREQUALIFICATION OF VENDORS**

- 1) The GM may establish a list of qualified vendors for goods or services which the district frequently purchases. The list will be valid for 5 years and vendors who prove to be unqualified shall be removed and vendors who demonstrate their qualifications may be added.
- 2) The GM may purchase goods or services from qualified vendors on the list described above without further bidding if the amount of the purchase is less than \$35,000. The board must approve purchases from qualified vendors if the amount of the purchase is \$35,000 or more.

**D. SOLE SOURCE and PROPRIETARY VENDORS**

There may be situations where the District requires particular contracts for the purchasing of supplies used in connection with or consumed on any project or work not subject to the Public Contract Code, for which there is no substantial equivalent and which are, in fact, available from only one vendor, supplier, service provider, or contractor, and therefore, in such situations, the use of competitive bidding may be impractical.

The Board has determined that it is in the District's best interests to authorize the General Manager to engage in sole source procurement under these circumstances. The General Manager, on behalf of the District, may execute a contract for the purchasing of supplies used in connection with or consumed on any project or work not subject to the Public Contract Code, on a sole source basis, and without competitive bidding, on the following conditions:

- (1) The General Manager determines, after conducting a good faith review of available sources, that there is only one source for such supplies required by the District. Examples of sole source procurements include, but shall not be limited to, the following:
  - a) Licensed or Patented Applications: The vendor, supplier, service provider, or contractor is the sole provider of a licensed, patented, or proprietary application, product, material, supplies, or item required by the District that has unique design or performance features providing superior utility not obtainable from similar vendors, suppliers, service providers, or contractors.
  - b) Authorized Service Provider, Repair and Warranty Services: The District requires service or repair support for such supplies and the vendor, supplier, service provider, or contractor is either a factory



- authorized warranty service provider or such vendor, supplier, service provider, or contractor is required for warranty services pursuant to the terms and conditions of an existing District contract.
- c) Unique Design: The District has a specialized need and the vendor, supplier, service provider, or contractor is the sole provider of such supplies that can meet the District's specialized needs or to perform the intended functions. This includes products with special features essential for the completion of a task or project, or with physical or artistic design characteristics that satisfy aesthetic requirements.
  - d) Trial and Evaluation Projects: A limited duration, limited scope, pilot, trial or evaluation of a product, range of products or services. A trial or evaluation project would typically be part of establishing a standard for a District department, or to pilot a particular product or services for a District need.
- (2) Such sole-source contract has been included in the District's then-current fiscal budget.
- (3) The General Manager provides a written report to the Board containing the following information:
- (a) A brief description of the circumstances surrounding the sole source procurement;
  - (b) A statement and/or justification of the General Manager's good faith determination that a sole source opportunity has been presented to the District; and
  - (c) A brief description of the supplies to be purchased or contracted for, the cost of such purchase or contract, and the name of the sole source vendor, supplier, service provider, or contractor.
- (4) The Board has approved the sole-source contract at the next scheduled workshop or regular or special meeting of the Board.

If such sole source contract has not been previously included in the District's then-current fiscal budget or such contract exceeds the amount budgeted for that particular contract in the District's then-current fiscal budget, such contract shall require prior Board approval.

## **OTHERS**

### **A. CHANGE ORDERS**

The General Manager and original approving authorized staff for purchases and contracts governed by this manual under \$35,000, may approve change orders.

- a) The cumulative total of all change orders may not exceed 10% of the original Contract/Purchase Order amount for purchases and contracts;
- b) Change orders must be signed off by approving official of original Contract/Purchase Order;
- c) Only the General Manager may approve change orders or modifications to contracts of \$35,000 and over.

## **B. INSURANCE**

All vendors performing a service on District property or a District job site are required to have insurance, regardless of the contract amount. Insurance that meets the requirements specified below must be on file before any work is performed.

Additional insurance may be required subject to the nature of the work and calculated risk. The District's minimum standard insurance requirements are as follows:

- i) General Liability with \$1 million per occurrence and \$2 million aggregate
- ii) Insured Autos \$1 million
- iii) Worker's Compensation CA State Statutory Requirements

Any deviation from these standard insurance minimums must be reviewed and approved by General Manager and explicitly stated on the Purchase Order or Contract.

All Insurance certificates must include an ISO CG 20 10 04 13, CG 20 37 07 04, or District approved equal endorsement specifically naming "Triunfo Water & Sanitation District, its officers, employees and agents" as additional insured.

Verifying vendor insurance is the responsibility of the employee issuing the Purchase Order and must be done prior to any work being performed. Original insurance certificates for ALL projects (including Public Works) will be maintained by Finance. Copies may be kept with project and contract file.

## **C. MULTI-YEAR CONTRACTS**

Multi-year contracts of up to 5 years, or with an initial term of one year and up to four annual renewal options, are encouraged for on-going services and repetitive purchases, whenever possible. All multi-year contracts, including items purchased using a Blanket Contracts, must be competitively bid at least once every five years. The bid threshold for determining correct purchasing process for multi-year contracts is based on the anticipated amount over the initial term of the contract, not the possible life of the contract. Any contract with an expected purchase amount less than \$35,000 within the initial contract period may be completed with an informal process while contracts with an expected annual purchase amount of \$35,000 or more require a formal process. For example, an annual \$10,000 purchase of a chemical over a five-year period totaling \$50,000 does not require the formal process.

#### **D. SURPLUS PROPERTY DISPOSAL**

Departments are responsible for proper disposal of property deemed no longer useful to the District “surplus”. Departments may contact Finance for assistance arranging disposal of surplus property if necessary. Typically, an auction service will be used to dispose of surplus property. Certain exceptions apply for specialized items, trade-in value, and items past their useful life.

- 1) Once an item has been properly disposed of, the department must complete an Asset Disposal Form and route to Clerk of the Board and Finance;
- 2) Items deemed past their useful life with little or no value by a department manager may be disposed of in the refuse or recycle bin in order to avoid the expense of sending the items to auction;
- 3) District employees are not allowed to take surplus property for personal use regardless of the perceived value. Any removal of District property for employee’s personal use or gain will be considered theft of District property;
- 4) In the event the General Manager determines an item’s value maybe useful in substantially reducing the cost of the replacement item said item, may be traded-in in lieu of being sent to auction.

#### **E. PURCHASING CREDIT CARD PROGRAM**

To facilitate small purchases to meet daily operational needs and to take advantage of prompt payment discounts offered by suppliers, employees designated by the General Manager will be authorized to use a purchasing credit card as issued by a bank under the State of California public agency credit card program known as CAL-Card. Credit card program policies and procedures shall be established by the General Manager.

#### **F. TAX**

Taxes should be listed on the Purchase Orders. However, the bid thresholds are to be applied using the pre-tax amount. (i.e. pre-tax purchase amount of \$2,499 would not require three quotes.)

### **PURCHASING DOCUMENTS**

A copy of this manual, the various purchasing related documents, forms, and contract templates are available on TWSD’s intranet purchasing page at <http://fs1.triunfowsd.com> (Ethernet) or <http://10.11.12.11> (wireless).

This page is intentionally blank.