

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY**

**RESOLUTION NO. 2020-458**

**RESOLUTION ADOPTING A CONSOLIDATED PROCUREMENT POLICY AND  
RESCINDING RESOLUTION NO. 2009-317**

**WHEREAS**, the Board of Directors of the San Luis & Delta-Mendota Water Authority (the “Board” and the “Water Authority,” respectively), pursuant to the Water Authority’s procedures and the California Government Code, from time to time, may adopt policy for the administration of the Water Authority.

**WHEREAS**, paragraph 6(o) of the Amended and Restated Joint Exercise of Powers Agreement for the Water Authority (the “Joint Powers Agreement”) provides for the exercise of powers by the Authority as follows: “to the extent not herein specifically provided for, to exercise any powers in the manner and according to methods provided in the laws applicable to the San Luis Water District.”

**WHEREAS**, on or about December 10th, 2009, the Board adopted Resolution No. 2009-317, which memorialized and formally adopted revised regulations governing purchases of supplies, equipment and services.

**WHEREAS**, the Water Authority has reviewed those regulations and updated the policy and procedures governing purchases of supplies, equipment and services (procurement).

**WHEREAS**, the Board, by adoption of this Resolution, desires to rescind Resolution No. 2009-317 and memorialize a new consolidated procurement policy of the Water Authority concerning the purchases of supplies, equipment, and services.

**NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:**

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

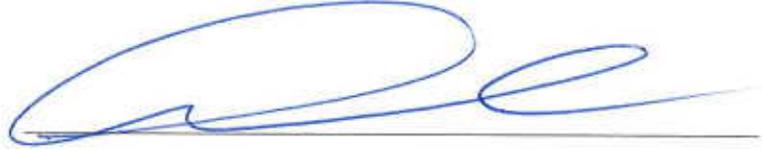
Section 2. Resolution No. 2009-317 is hereby rescinded, which rescission is not intended to and shall not affect the validity of any contract previously awarded under Resolution No. 2009-317.

Section 3. The Board finds that the Consolidated Procurement Policy included in Exhibit A will enable the Water Authority to more efficiently procure goods and services and will not adversely affect any interest of the Water Authority or the public.

Section 4. With the consent of the Executive Director, Chief Operating Officer, and General Counsel, updates are hereby authorized to be made to the Consolidated Procurement Policy based on changed requirements of California or Federal law or Federal grant requirements for public bidding or contracting without further action by the Board.

Section 5. This resolution shall become effective immediately and shall remain in effect unless superseded by the requirements of statutes adopted following the effective date hereof or by further action of the Board.

**PASSED, APPROVED AND ADOPTED** this 9th day of April, 2020, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

A handwritten signature in blue ink, appearing to read "Cannon Michael", written over a horizontal line.

Cannon Michael, Chairman  
San Luis & Delta-Mendota Water Authority

Attest:

A handwritten signature in blue ink, appearing to read "Federico Barajas", written over a horizontal line.

Federico Barajas, Secretary

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I hereby certify that the foregoing Resolution No. 2020-458 was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 9th day of April, 2020.

  
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Federico Barajas, Secretary

# **EXHIBIT A**

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
CONSOLIDATED PROCUREMENT POLICY**

**ARTICLE 1. Basic Principles**

1.1 Delegation of authority. Subject to the availability of funds within the parameters of the Authority budget for the fiscal year; reference to the specific project, service, or purchase in the Authority budget; and the procedures set forth in Articles 2-4 of this Policy, the Authority's Executive Director or Chief Operating Officer,<sup>1</sup> or General Counsel for legal matters, is authorized to bind the Authority, without first obtaining specific authorization by the Board, by written contract or purchase order for:

- (a) Contracts up to two hundred thousand dollars (\$200,000); or
- (b) Contracts immediately required to respond to an Emergency.

Subject to the availability of funds within the parameters of the Authority budget for the fiscal year and the procedures set forth in Section 3.2 of this Policy, the Authority's Executive Director or General Counsel is authorized to bind the Authority, without first obtaining specific authorization by the Board, by written contract for legal services determined to be necessary.

1.2 "Emergency" shall mean 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. Emergency contracts exceeding the delegated authority in Section 1.1, if not initially awarded by the Board, shall be reviewed by the Board and either approved or terminated as soon as practical following award.

1.3 Notice. Notice of a procurement shall specify, at a minimum, a brief description of the work to be done or goods or supplies to be purchased; how to obtain additional information; and the date, time, and location that bids will be due. If attendance at a pre-bid meeting is required, then the date, time, and location of such meeting shall be included in the notice.

1.4 List of interested bidders. The Authority may establish one or more lists of potential bidders interested in future Authority contracts. Any list may be defined or limited in scope as the Executive Director or Chief Operating Officer deems appropriate. For any such list the Authority maintains, the Authority shall periodically invite potential bidders to register to be notified of future solicitations.

1.5 Informal bidding procedures.

- (a) Except in an Emergency, contracts shall be awarded on informal bidding procedures herein or formal bidding procedures under Section 1.6 below where the contract is required to be competitively procured (at the threshold specified for each type of contract below) but is within the following delegation of authority:

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<sup>1</sup> Further delegation of authority by the Executive Director or Chief Operating Officer is addressed in Section 1.9 below.

- (1) Goods or supplies up to two hundred thousand dollars (\$200,000);
  - (2) Professional services up to one hundred fifty thousand dollars (\$150,000);
  - (3) Construction services up to two hundred thousand dollars (\$200,000); or
  - (4) Other services (not professional or construction services) up to one hundred thousand dollars (\$100,000).
- (b) The Authority shall obtain adequate competition in awarding any contract under informal bidding. Formal advertising is not required. Adequate competition shall be presumed in any of the following circumstances:
- (1) A notice inviting informal bids is published on the Authority's website with sufficient time to allow potential bidders to prepare a bid by the bid deadline;
  - (2) The Authority receives at least three (3) bids in response to its solicitation for informal bids; or
  - (3) If fewer than three (3) bids are received, the Authority documents that it solicited known vendors or contractors that reasonably might be expected to submit a bid.
- (c) The Authority shall award any contract to the bidder meeting the selection criteria in the solicitation document, or shall reject all bids or quotes. Any contract awarded using informal bidding procedures shall include a termination for convenience clause.
- (d) The Board shall be notified of all contracts awarded under informal bidding procedures promptly following award.

1.6 Formal solicitation procedures.

- (a) Except in an Emergency, contracts above the informal bidding threshold stated in Section 1.5 above shall be awarded following formal solicitation.
- (b) A notice inviting formal bids shall be advertised within the boundaries of the Authority in either (i) in a newspaper or periodical of general circulation or (ii) a focus or trade publication reasonably anticipated to reach potential bidders, with the notice being published not less than ten (10) days prior to receipt of bids.
- (c) If the successful bid must be within a specified budget or cost estimate to receive a contract award, then that budget or cost estimate shall be stated in the solicitation.
- (d) The Authority shall issue a notice of intent to award the contract, identifying the bidder entitled to award under the selection criteria in the solicitation document.
- (e) Contracts above the delegation of authority in Section 1.1 above shall be awarded by the Board. For contracts not awarded by the Board, the Board shall be notified of all

contracts awarded under formal bidding procedures promptly following award.

- 1.7 Request for proposals contents. A request for proposals shall include all of the following:
  - (a) A description of the services to be provided,
  - (b) A description of the format that proposals shall follow and the information they shall contain,
  - (c) A requirement to submit proposals with the price and all cost information separate from other portions of the proposal,
  - (d) The criteria and standards, which must include price, that the Authority will use in evaluating proposals and determining the selected contractor, and
  - (e) The date and time when proposals are due.
- 1.8 Negotiation following competitive solicitation. If the Authority conducts a competitive solicitation and receives no responsive bids or proposals, then the Authority may award a contract for substantially the same product(s) or service(s), or substantially the same construction project, by negotiating with available vendors, contractors, or service providers.
- 1.9 Further delegation. For contracts not required to be competitively solicited, i.e., contracts in an amount below the threshold specified for each type of contract below, the Executive Director or Chief Operating Officer may further delegate authority to approve those contracts, if such delegation is done in writing and identifies the individual(s) to whom authority is delegated.
- 1.10 Change orders. If contract changes are issued without prior Board approval, then the Board shall be notified of the change promptly. All contract changes that are outside delegated change order authority and that cause the contract to exceed the delegation of authority in Section 1.1 above shall be submitted to the Board for approval.
- 1.11 Conflicts of interest. The Authority shall maintain a written conflict of interest code and standards of conduct policy. No Authority employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest in violation of the Authority's policy or any federal conflict of interest requirement applicable to the Authority. The standards of conduct provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Authority.
- 1.12 Provisions applicable to contracts involving Federal funding.
  - (a) For contracts over two hundred fifty thousand dollars (\$250,000) that include Federal funding, profit shall be separately stated, and the Authority shall negotiate the profit if the proposed profit exceeds a reasonable amount, considering factors including

- complexity of the work, the contractor's risk, the contractor's investment, any subcontracting, the contractor's past performance, and industry profit rates in the area.
- (b) Prior to seeking bids for a construction contract over two hundred fifty thousand dollars (\$250,000), the Authority shall prepare estimates of cost based on its approved plans and specifications.
  - (c) Under a request for proposals, the Authority shall only consider geographic preference as an evaluation criterion in determining best value when applicable Federal statutes mandate or encourage geographic preference.
  - (d) In Federally-funded professional services contracts, the Authority shall not accept pricing based on a percentage of construction cost.
- 1.13 Automatic update. To the extent any provision in this Policy is based on requirements for public bidding and any such requirement is changed, eliminated, or added after the effective date of this Policy, such changes shall be deemed automatically incorporated into this Policy and shall replace any inconsistent provision herein.
- 1.14 Compliance with Law. This Policy is not intended to, and does not, exempt the Authority from compliance with any applicable statute, regulation, or other legal requirements.

## **ARTICLE 2. Purchases of goods, supplies, and equipment**

- 2.1 Competitive bidding. Except in an Emergency, or where only one brand meets the Authority's needs and only one supplier of that brand name product exists, all contracts for the purchase or lease of goods, supplies, or equipment in an amount over sixty thousand dollars (\$60,000) shall be entered into with the lowest responsible bidder meeting specifications.
- 2.2 Cooperative purchasing agreements. The Authority may, by cooperative purchasing agreements or multiple award schedule contracts available to the Authority, purchase goods or supplies through legal contracts of other public agencies without separate advertising or competitive bidding by the Authority. The Authority shall take reasonable steps to confirm that the goods or supplies are offered at a fair price.
- 2.3 Single-Source procedure.
- (a) Prior to making a single source purchase, the Authority shall make the following findings:
    - (1) One of the following:
      - (i) a specified product is necessary to match or interface with other products in use by the Authority **or**
      - (ii) the Authority needs to purchase a specified product to field test or experiment to determine the product's suitability for future use, **or**

(iii) only one product will meet the Authority's needs, **and**

(2) The product is available from only one source.

The required findings may be made by the Executive Director or Chief Operating Officer, in writing, if the anticipated contract amount does not exceed the Board's delegation of authority.

- (b) Upon making the above findings, the Authority may purchase the product without advertising or conducting competitive bidding.
- (c) The Authority shall take reasonable steps to confirm that the goods or supplies are purchased at a fair price.
- (d) The Board shall be notified of all contracts awarded using single-source procedures promptly following award.
- (e) The Board may establish and maintain a list of single-source products meeting the above criteria. Where a product is on such a list, the required findings need not be made for each purchase.

2.4 Quantity variations. If, after award of a purchase order or other contract for goods, supplies, or equipment, the Authority determines that additional quantities are required, then the Authority may amend the purchase order or other contract to increase the quantity by up to 10%, unless that change would result in a change of more than \$200,000, without seeking Board approval if the amendment would cause the contract to exceed the delegation of authority in Section 1.1 above, but (a) the unit price of the goods or supplies will not increase and (b) the amended contract amount is within the parameters of the Authority budget for the fiscal year. For any change order that will not increase the total contract price over the delegation of authority in Section 1.1 above, Board approval for quantity variations is not required.

### **ARTICLE 3 Services**

#### **3.1 Other (Non-Professional) Services.**

- (a) Competitive solicitation. Except in the case of Emergency or where single-source services contracting is authorized, all contracts for services, other than professional services or construction services, in an amount in excess of sixty thousand dollars (\$60,000) shall be entered into following a competitive solicitation process. The competitive solicitation process may either use informal bidding procedures (see Section 1.5) or a request for proposals (see Section 1.7).
- (b) Single-source procedure. Notwithstanding the foregoing requirements for competitive solicitation, the Authority may award a single-source contract for services without first advertising if the Authority makes at least one of the following findings:

- (1) That only one firm or individual has the specialized expertise or experience necessary to perform the services, and other potential bidders cannot develop that experience or expertise prior to contract award.
- (2) That continuity of services is required to avoid risk of substantial loss or added expenditure to the Authority.

The required findings may be made by the Executive Director or Chief Operating Officer, in writing, if the anticipated contract amount does not exceed the Board's delegation of authority. Upon making the above findings, the Authority may purchase the services without advertising or conducting a competitive solicitation. The Board shall be notified of all contracts awarded using single-source procedures promptly following award.

### 3.2 Professional services.

- (a) "Professional services" shall mean any of the following:
  - (1) Services encompassed by Government Code sections 4525 *et seq.*;
  - (2) Services for which an advanced professional degree, certification, and/or license is required, including without limitation legal services and accounting services; or
  - (3) Senior or management-level services requiring advanced experience, expertise, or training.
- (b) Notwithstanding any other requirement of this Article, the Authority may award a contract for professional services based on demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required.
- (c) In awarding a contract for professional services that is not federally funded, the Authority may, but is not required to, use the competitive procedures specified in this Article. If the contract includes Federal funding, then the Authority must use the competitive procedures specified in this Article.
- (d) Notwithstanding Section 1.7(d) above, in awarding a contract for architectural and/or engineering services under a request for proposals, the Authority may select the most qualified firm without using price as a selection factor if the Authority negotiates fair and reasonable compensation after selection of the firm.
- (e) Auditing services. Notwithstanding any other requirements of this Policy, contracts for financial statement auditing services and/or other auditing services where the auditor is required to report to the Board, shall be awarded by the Board of Directors.

### 3.3 Change order. If, after award of a contract for professional or other services, the Authority determines that additional services of the same or a related type are required to meet the purpose for which the original contract was awarded, then the Authority may amend the contract to increase the contract amount by up to 10%, unless that would result in a change of more than \$200,000, without seeking Board approval if the amendment would cause the contract to exceed the delegation of authority in Section 1.1 above, but (a) the rates for the

services will not increase and (b) the amended contract amount is within the parameters of the Authority budget for the fiscal year. For any change order that will not increase the total contract price over the delegation of authority in Section 1.1 above, Board approval for the change order is not required.

#### ARTICLE 4 Construction contracts

- 4.1 Competitive solicitation. Except in an Emergency, where only one brand meets the Authority's needs and only one installer is authorized to install that brand name product at the Authority's location, or as otherwise provided herein, all contracts for public projects (as defined in Public Contract Code section 22002) in an amount over sixty thousand dollars (\$60,000) shall be entered into with the bidder following a competitive solicitation process. The competitive solicitation process may be either an invitation for bids where the contract is awarded to the lowest responsive, responsible bidder or a request for proposals.
- 4.2 Performance by day labor. Notwithstanding any other requirement of this Article, the Authority may make repairs, alterations, modifications, or additions, or perform routine, recurring, and usual work for the maintenance of facilities under its control, by day labor or by force account.
- 4.3 Solicitation contents. The Authority's invitation for bids or request for proposals for any public project shall include all requirements, submittals, and information required by law.
- 4.4 Failure of the intended awardee to enter the contract; award to next lowest bidder. If a successful bidder fails to enter into a contract when awarded by the Authority, then the bidder's security shall be forfeited to the Authority. The Authority may award to the next lowest bidder or reject all bids.
- 4.5 Emergency contracting. In an Emergency, the Authority may take any immediate action required to prevent or mitigate the loss or impairment of life, health, property, or essential public services, and procure the necessary equipment, services, and supplies for those purposes, without adopting prior plans and specifications or giving notice for bids to let contracts.
- 4.6 Single-Source procedure.
  - (a) The Authority shall not contract using a single-source procedure in any contract involving federal funds.
  - (b) Where competitive procurement otherwise is required, the Authority may conduct a single-source negotiation for construction in either of the following circumstances, upon making findings supporting the circumstance:
    - (1) Where (i) a specified product is required, applying the standards and making the findings set forth in Section 2.3(a)(1) above, (ii) only one contractor is authorized by the manufacturer or supplier to install the specified product, and (iii) the work

for which only a single-source contractor is authorized is not work which reasonably would be expected to be subcontracted; or

- (2) The Authority has conducted a competitive procurement for substantially similar construction services in the past five (5) years and only one actual or potential bidder for the services was identified.

The required findings may be made by the Executive Director or Chief Operating Officer, in writing, if the anticipated contract amount does not exceed the Board's delegation of authority.

- (c) If neither of the above circumstances exist, but the Executive Director or Chief Operating Officer recommends single-source construction contracting, then single-source contracting may be used only following Board findings of circumstances indicating that competition does not exist and approval of single-source negotiations.
- (d) Upon making the above findings, the Authority may contract for construction without advertising or conducting competitive bidding.
- (e) The Board shall be notified of all contracts awarded using single-source procedures promptly following award.
- (f) The Authority shall take reasonable steps to confirm that the construction project is priced fairly.

#### 4.7 Change orders.

- (a) The Authority's Executive Director or Chief Operating Officer is authorized to issue a change order without prior Board approval in either of the following circumstances:
  - (1) The change will not cause the total contract amount to exceed the Executive Director's or Chief Operating Officer's delegated authority for construction contracts; or
  - (2) Total net changes on the project are less than or equal to ten percent (10%) of the original contract amount, or any different amount approved by the Board when awarding the contract.
- (b) In a Federally-funded contract, the Authority must make an independent estimate of the cost of any contract modification that may exceed two hundred fifty thousand dollars (\$250,000), and shall perform such other evaluation of the contractor's cost proposal as is necessary to validate the pricing of the modification. The Authority shall not agree to price a modification to a Federally-funded contract based on cost plus a percentage of cost pricing.

- 4.8 Reservation of rights. The Authority reserves the right to utilize any other legally-authorized methodology for construction contracting, including without limitation design-build contracting in accordance with Public Contract Code sections 22160 *et seq.*

**SAN LUIS & DELTA-MENDOTA WATER AUTHORITY  
CONSOLIDATED PROCUREMENT POLICY**

**ARTICLE 1. Basic Principles**

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- (a) Contracts up to two hundred thousand dollars (\$200,000); or
- (b) Contracts immediately required to respond to an Emergency.

Subject to the availability of funds within the parameters of the Authority budget for the fiscal year and the procedures set forth in Section 3.2 of this Policy, the Authority's Executive Director or General Counsel is authorized to bind the Authority, without first obtaining specific authorization by the Board, by written contract for legal services determined to be necessary.

1.2 "Emergency" shall mean 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. Emergency contracts exceeding the delegated authority in Section 1.1, if not initially awarded by the Board, shall be reviewed by the Board and either approved or terminated as soon as practical following award.

1.3 Notice. Notice of a procurement shall specify, at a minimum, a brief description of the work to be done or goods or supplies to be purchased; how to obtain additional information; and the date, time, and location that bids will be due. If attendance at a pre-bid meeting is required, then the date, time, and location of such meeting shall be included in the notice.

1.4 List of interested bidders. The Authority may establish one or more lists of potential bidders interested in future Authority contracts. Any list may be defined or limited in scope as the Executive Director or Chief Operating Officer deems appropriate. For any such list the Authority maintains, the Authority shall periodically invite potential bidders to register to be notified of future solicitations.

1.5 Informal bidding procedures.

- (a) Except in an Emergency, contracts shall be awarded on informal bidding procedures herein or formal bidding procedures under Section 1.6 below where the contract is required to be competitively procured (at the threshold specified for each type of contract below) but is within the following delegation of authority:

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<sup>1</sup> Further delegation of authority by the Executive Director or Chief Operating Officer is addressed in Section 1.9 below.

- (1) Goods or supplies up to two hundred thousand dollars (\$200,000);
  - (2) Professional services up to one hundred fifty thousand dollars (\$150,000);
  - (3) Construction services up to two hundred thousand dollars (\$200,000); or
  - (4) Other services (not professional or construction services) up to one hundred thousand dollars (\$100,000).
- (b) The Authority shall obtain adequate competition in awarding any contract under informal bidding. Formal advertising is not required. Adequate competition shall be presumed in any of the following circumstances:
- (1) A notice inviting informal bids is published on the Authority's website with sufficient time to allow potential bidders to prepare a bid by the bid deadline;
  - (2) The Authority receives at least three (3) bids in response to its solicitation for informal bids; or
  - (3) If fewer than three (3) bids are received, the Authority documents that it solicited known vendors or contractors that reasonably might be expected to submit a bid.
- (c) The Authority shall award any contract to the bidder meeting the selection criteria in the solicitation document, or shall reject all bids or quotes. Any contract awarded using informal bidding procedures shall include a termination for convenience clause.
- (d) The Board shall be notified of all contracts awarded under informal bidding procedures promptly following award.

1.6 Formal solicitation procedures.

- (a) Except in an Emergency, contracts above the informal bidding threshold stated in Section 1.5 above shall be awarded following formal solicitation.
- (b) A notice inviting formal bids shall be advertised within the boundaries of the Authority in either (i) in a newspaper or periodical of general circulation or (ii) a focus or trade publication reasonably anticipated to reach potential bidders, with the notice being published not less than ten (10) days prior to receipt of bids.
- (c) If the successful bid must be within a specified budget or cost estimate to receive a contract award, then that budget or cost estimate shall be stated in the solicitation.
- (d) The Authority shall issue a notice of intent to award the contract, identifying the bidder entitled to award under the selection criteria in the solicitation document.
- (e) Contracts above the delegation of authority in Section 1.1 above shall be awarded by

the Board. For contracts not awarded by the Board, the Board shall be notified of all contracts awarded under formal bidding procedures promptly following award.

- 1.7 Request for proposals contents. A request for proposals shall include all of the following:
  - (a) A description of the services to be provided,
  - (b) A description of the format that proposals shall follow and the information they shall contain,
  - (c) A requirement to submit proposals with the price and all cost information separate from other portions of the proposal,
  - (d) The criteria and standards, which must include price, that the Authority will use in evaluating proposals and determining the selected contractor, and
  - (e) The date and time when proposals are due.
- 1.8 Negotiation following competitive solicitation. If the Authority conducts a competitive solicitation and receives no responsive bids or proposals, then the Authority may award a contract for substantially the same product(s) or service(s), or substantially the same construction project, by negotiating with available vendors, contractors, or service providers.
- 1.9 Further delegation. For contracts not required to be competitively solicited, i.e., contracts in an amount below the threshold specified for each type of contract below, the Executive Director or Chief Operating Officer may further delegate authority to approve those contracts, if such delegation is done in writing and identifies the individual(s) to whom authority is delegated.
- 1.10 Change orders. If contract changes are issued without prior Board approval, then the Board shall be notified of the change promptly. All contract changes that are outside delegated change order authority and that cause the contract to exceed the delegation of authority in Section 1.1 above shall be submitted to the Board for approval.
- 1.11 Conflicts of interest. The Authority shall maintain a written conflict of interest code and standards of conduct policy. No Authority employee, officer, or agent may participate in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest in violation of the Authority's policy or any federal conflict of interest requirement applicable to the Authority. The standards of conduct provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the Authority.
- 1.12 Provisions applicable to contracts involving Federal funding.
  - (a) For contracts over two hundred fifty thousand dollars (\$250,000) that include Federal funding, profit shall be separately stated, and the Authority shall negotiate the profit if

- the proposed profit exceeds a reasonable amount, considering factors including complexity of the work, the contractor's risk, the contractor's investment, any subcontracting, the contractor's past performance, and industry profit rates in the area.
- (b) Prior to seeking bids for a construction contract over two hundred fifty thousand dollars (\$250,000), the Authority shall prepare estimates of cost based on its approved plans and specifications.
  - (c) Under a request for proposals, the Authority shall only consider geographic preference as an evaluation criterion in determining best value when applicable Federal statutes mandate or encourage geographic preference.
  - (d) In Federally-funded professional services contracts, the Authority shall not accept pricing based on a percentage of construction cost.
- 1.13 Automatic update. To the extent any provision in this Policy is based on requirements for public bidding and any such requirement is changed, eliminated, or added after the effective date of this Policy, such changes shall be deemed automatically incorporated into this Policy and shall replace any inconsistent provision herein.
- 1.14 Compliance with Law. This Policy is not intended to, and does not, exempt the Authority from compliance with any applicable statute, regulation, or other legal requirements.

## **ARTICLE 2. Purchases of goods, supplies, and equipment**

- 2.1 Competitive bidding. Except in an Emergency, or where only one brand meets the Authority's needs and only one supplier of that brand name product exists, all contracts for the purchase or lease of goods, supplies, or equipment in an amount over sixty thousand dollars (\$60,000) shall be entered into with the lowest responsible bidder meeting specifications.
- 2.2 Cooperative purchasing agreements. The Authority may, by cooperative purchasing agreements or multiple award schedule contracts available to the Authority, purchase goods or supplies through legal contracts of other public agencies without separate advertising or competitive bidding by the Authority. The Authority shall take reasonable steps to confirm that the goods or supplies are offered at a fair price.
- 2.3 Single-Source procedure.
- (a) Prior to making a single source purchase, the Authority shall make the following findings:
    - (1) One of the following:
      - (i) a specified product is necessary to match or interface with other products in use by the Authority **or**

- (ii) the Authority needs to purchase a specified product to field test or experiment to determine the product's suitability for future use, **or**
  - (iii) only one product will meet the Authority's needs, **and**
- (2) The product is available from only one source.

The required findings may be made by the Executive Director or Chief Operating Officer, in writing, if the anticipated contract amount does not exceed the Board's delegation of authority.

- (b) Upon making the above findings, the Authority may purchase the product without advertising or conducting competitive bidding.
  - (c) The Authority shall take reasonable steps to confirm that the goods or supplies are purchased at a fair price.
  - (d) The Board shall be notified of all contracts awarded using single-source procedures promptly following award.
  - (e) The Board may establish and maintain a list of single-source products meeting the above criteria. Where a product is on such a list, the required findings need not be made for each purchase.
- 2.4 Quantity variations. If, after award of a purchase order or other contract for goods, supplies, or equipment, the Authority determines that additional quantities are required, then the Authority may amend the purchase order or other contract to increase the quantity by up to 10%, unless that change would result in a change of more than \$200,000, without seeking Board approval if the amendment would cause the contract to exceed the delegation of authority in Section 1.1 above, but (a) the unit price of the goods or supplies will not increase and (b) the amended contract amount is within the parameters of the Authority budget for the fiscal year. For any change order that will not increase the total contract price over the delegation of authority in Section 1.1 above, Board approval for quantity variations is not required.

### **ARTICLE 3 Services**

#### **3.1 Other (Non-Professional) Services**

- (a) Competitive solicitation. Except in the case of Emergency or where single-source services contracting is authorized, all contracts for services, other than professional services or construction services, in an amount in excess of sixty thousand dollars (\$60,000) shall be entered into following a competitive solicitation process. The competitive solicitation process may either use informal bidding procedures (see Section 1.5) or a request for proposals (see Section 1.7).

(b) Single-source procedure. Notwithstanding the foregoing requirements for competitive solicitation, the Authority may award a single-source contract for services without first advertising if the Authority makes at least one of the following findings:

- (1) That only one firm or individual has the specialized expertise or experience necessary to perform the services, and other potential bidders cannot develop that experience or expertise prior to contract award.
- (2) That continuity of services is required to avoid risk of substantial loss or added expenditure to the Authority.

The required findings may be made by the Executive Director or Chief Operating Officer, in writing, if the anticipated contract amount does not exceed the Board's delegation of authority. Upon making the above findings, the Authority may purchase the services without advertising or conducting a competitive solicitation. The Board shall be notified of all contracts awarded using single-source procedures promptly following award.

### 3.2 Professional services.

(a) "Professional services" shall mean any of the following:

- (1) Services encompassed by Government Code sections 4525 *et seq.*;
- (2) Services for which an advanced professional degree, certification, and/or license is required, including without limitation legal services and accounting services; or
- (3) Senior or management-level services requiring advanced experience, expertise, or training.

(b) Notwithstanding any other requirement of this Article, the Authority may award a contract for professional services based on demonstrated competence and the professional qualifications necessary for the satisfactory performance of the services required.

(c) In awarding a contract for professional services that is not federally funded, the Authority may, but is not required to, use the competitive procedures specified in this Article. If the contract includes Federal funding, then the Authority must use the competitive procedures specified in this Article.

(d) Notwithstanding Section 1.7(d) above, in awarding a contract for architectural and/or engineering services under a request for proposals, the Authority may select the most qualified firm without using price as a selection factor if the Authority negotiates fair and reasonable compensation after selection of the firm.

(e) Auditing services. Notwithstanding any other requirements of this Policy, contracts for financial statement auditing services and/or other auditing services where the auditor is required to report to the Board, shall be awarded by the Board of Directors.

- 3.3 Change order. If, after award of a contract for professional or other services, the Authority determines that additional services of the same or a related type are required to meet the purpose for which the original contract was awarded, then the Authority may amend the contract to increase the contract amount by up to 10%, unless that would result in a change of more than \$200,000, without seeking Board approval if the amendment would cause the contract to exceed the delegation of authority in Section 1.1 above, but (a) the rates for the services will not increase and (b) the amended contract amount is within the parameters of the Authority budget for the fiscal year. For any change order that will not increase the total contract price over the delegation of authority in Section 1.1 above, Board approval for the change order is not required.

#### ARTICLE 4 Construction contracts

- 4.1 Competitive solicitation. Except in an Emergency, where only one brand meets the Authority's needs and only one installer is authorized to install that brand name product at the Authority's location, or as otherwise provided herein, all contracts for public projects (as defined in Public Contract Code section 22002) in an amount over sixty thousand dollars (\$60,000) shall be entered into with the bidder following a competitive solicitation process. The competitive solicitation process may be either an invitation for bids where the contract is awarded to the lowest responsive, responsible bidder or a request for proposals.
- 4.2 Performance by day labor. Notwithstanding any other requirement of this Article, the Authority may make repairs, alterations, modifications, or additions, or perform routine, recurring, and usual work for the maintenance of facilities under its control, by day labor or by force account.
- 4.3 Solicitation contents. The Authority's invitation for bids or request for proposals for any public project shall include all requirements, submittals, and information required by law.
- 4.4 Failure of the intended awardee to enter the contract; award to next lowest bidder. If a successful bidder fails to enter into a contract when awarded by the Authority, then the bidder's security shall be forfeited to the Authority. The Authority may award to the next lowest bidder or reject all bids.
- 4.5 Emergency contracting. In an Emergency, the Authority may take any immediate action required to prevent or mitigate the loss or impairment of life, health, property, or essential public services, and procure the necessary equipment, services, and supplies for those purposes, without adopting prior plans and specifications or giving notice for bids to let contracts.
- 4.6 Single-Source procedure.
- (a) The Authority shall not contract using a single-source procedure in any contract involving federal funds.

- (b) Where competitive procurement otherwise is required, the Authority may conduct a single-source negotiation for construction in either of the following circumstances, upon making findings supporting the circumstance:
  - (1) Where (i) a specified product is required, applying the standards and making the findings set forth in Section 2.3(a)(1) above, (ii) only one contractor is authorized by the manufacturer or supplier to install the specified product, and (iii) the work for which only a single-source contractor is authorized is not work which reasonably would be expected to be subcontracted; or
  - (2) The Authority has conducted a competitive procurement for substantially similar construction services in the past five (5) years and only one actual or potential bidder for the services was identified.

The required findings may be made by the Executive Director or Chief Operating Officer, in writing, if the anticipated contract amount does not exceed the Board's delegation of authority.

- (c) If neither of the above circumstances exist, but the Executive Director or Chief Operating Officer recommends single-source construction contracting, then single-source contracting may be used only following Board findings of circumstances indicating that competition does not exist and approval of single-source negotiations.
- (d) Upon making the above findings, the Authority may contract for construction without advertising or conducting competitive bidding.
- (e) The Board shall be notified of all contracts awarded using single-source procedures promptly following award.
- (f) The Authority shall take reasonable steps to confirm that the construction project is priced fairly.

#### 4.7 Change orders.

- (a) The Authority's Executive Director or Chief Operating Officer is authorized to issue a change order without prior Board approval in either of the following circumstances:
  - (1) The change will not cause the total contract amount to exceed the Executive Director's or Chief Operating Officer's delegated authority for construction contracts; or
  - (2) Total net changes on the project are less than or equal to ten percent (10%) of the original contract amount, or any different amount approved by the Board when awarding the contract.

(b) In a Federally-funded contract, the Authority must make an independent estimate of the cost of any contract modification that may exceed two hundred fifty thousand dollars (\$250,000), and shall perform such other evaluation of the contractor's cost proposal as is necessary to validate the pricing of the modification. The Authority shall not agree to price a modification to a Federally-funded contract based on cost plus a percentage of cost pricing.

4.8 Reservation of rights. The Authority reserves the right to utilize any other legally-authorized methodology for construction contracting, including without limitation design-build contracting in accordance with Public Contract Code sections 22160 *et seq.*