

I. Purchasing Policy

This policy is to conform to Health and Safety Code 9044(a), which states: Each district shall adopt policies and procedures, including bidding regulations, governing the purchase of supplies and equipment. The Tulare Public Cemetery District classifies purchases into six (6) purchasing categories. These categories are based on the dollar amount and type of purchase. Each category establishes a separate purchasing limit, authorization level, and procurement procedure.

	Category	Amount	Approval Required
A.	Petty Cash Purchase	\$100 or less	Manager or designee
B.	Minor Purchase	Below \$5,000	Manager or designee
C.	Purchase Order Required Purchases	\$5,000 or more	Board Approval
D.	Minor Contracts	Below \$25,000	Board Approval
E.	Purchases Requiring Board Approval	\$25,000 or more	Board Approval
F.	Professional Services	Follows Above based on amount	Follows Above based on amount

A. Petty Cash Purchases (\$100.00 or less)

The petty cash fund may be used to pay reimbursement to District employees for the direct and immediate purchase of goods and services needed for District

operations including:

- Purchase of materials, goods, supplies, equipment, or services needed for “immediate use;” and
- Reimbursement of employee travel/meeting expenses.

Such purchases are limited to \$100.00 per transaction. A detailed receipt itemizing each charge must support all expenditures. Advances of petty cash are not permitted. Petty cash reimbursements should be requested in a timely fashion but no later than two weeks after the purchase date.

B. Minor Purchases (Below \$5,000)

The Manager or their designee may initiate purchases for materials, goods, supplies, equipment, or services costing less than \$5,000, without processing a requisition form and initiating a purchase order. The Manager is required to ensure the availability of budgeted funds prior to making any approved minor purchases. All original invoices and/or receipts for such purchases must be authorized, documented, and processed by the District’s Manager.

C. Purchases Requiring Purchase Orders (\$5,000 or more)

The Manager shall make a request from the Board of Trustees of the District for purchases of materials, goods, supplies, equipment, and/or services of \$5,000 or more by processing a purchase order. The Manager shall not order goods or services from a vendor before Board Approval is granted for purchases of this cost. Each requisition requiring a purchase order must be approved by the Board of Trustees.

Purchase Order Exemptions

The following disbursements are exempt from Purchase Order requirements:

- Emergency purchases due to urgent need of material or service, when purchase order cannot be approved by the Board within 48 hours.
- Disbursements for refundable deposits.
- Disbursements for payroll, payroll liabilities, and employee benefits.
- Disbursements for refunds of district fees collected.

- Disbursements for debt service payments and payments on approved loan agreements.
- Insurance Payments.
- Workers compensation payments for medical and related expenses.
- Public utility purchases of water, power, and related services when no competition is available.

For purchases of goods, services, or construction services over \$5,000 and up to \$25,000 the Manager or their designee shall solicit and document price quotes in writing (via mail, email, or fax) from a minimum of three (3) vendors. The solicited price quotes shall be attached to the request to the Board of Trustees for the purchase. If the vendor price quotes are not attached, the Manager must submit written justification as to why the transaction should be exempt from this requirement, which requires Board approval.

D. Minor Contracts (Below \$25,000)

Purchases of materials, goods, supplies, equipment, or services of less than \$25,000 but over \$5,000 require a contract. The Manager shall use a contract approved by the District's General Counsel. Contracts for less than \$25,000 must be approved by the Board of Trustees.

Waiving Insurance Requirements

Due to the variety of services provided to the District, there is occasionally the need to waive insurance requirements. For all contracts of less than \$25,000, the Manager may choose to waive insurance requirements based on a recommendation from the District's General Counsel.

Contract Exemptions

Contracts are not required for general office supplies (however purchase orders and bids are required based on the dollar thresholds outlined in this policy).

E. Major Contracts (\$25,000 or more)

Purchases of materials, goods, supplies, equipment, or services of \$25,000 or more ("major contracts") shall be awarded by contract and require contracts reviewed by General Counsel. Major contracts require formal proposal procedures (i.e. Request for Proposals) and also require the approval of the Board. After Board approval, the

Manager will execute the contract on behalf of the Board, approved as to form by the District's General Counsel and attested by the District's Secretary. The purchase order will not be processed until the contract is fully executed.

Waiving Insurance Requirements

Due to the variety of services provided to the District, there is occasionally the need to waive insurance requirements. For all contracts of less than \$25,000, the Manager may choose to waive insurance requirements based on a recommendation from the District's General Counsel.

Contract Exemptions

Contracts are not required for general office supplies (however purchase orders and bids are required based on the dollar thresholds outlined in this policy).

Multi-Year Contracts Amounting to \$25,000 or More

In some cases, the District may wish to enter into multi-year contracts, the total value of which amount to \$25,000 or more. The District shall endeavor to make all multi-year contracts subject to annual renewal at the District's discretion.

For all multi-year contracts which are made subject to annual renewal at the District's discretion, where the projected value of the contract for the annual period to which the renewal would apply is less than \$25,000, the Manager shall have the authority and discretion to determine whether or not to renew the contract. However, if the projected value of the contract for the annual period to which the renewal would apply amounts to \$25,000 or more, the determination of whether or not to renew the contract shall be subject to Board approval.

F. Professional Services (Any Amount)

Definition: For purposes of this policy, "Professional Services" shall mean and refer to any specialized service or any other service which requires the consultant or entity providing said services to possess a state-issued or other official license to perform the services.

The selection of Professional Services is to be based on demonstrated competence and on professional qualifications for satisfactory performance. After a qualified firm is selected, the Manager may negotiate a satisfactory contract with a price determined to be fair and reasonable. The emphasis for selection is therefore based upon qualification rather than the lowest price (the District must follow the dollar thresholds established in this Policy).

II. REQUIREMENTS

A. Professional Liability Insurance Requirement

Prior to entering into any agreement under which an individual or entity will provide Professional Services for or on behalf of the District, the Manager is responsible for ensuring that all such individuals and/or entities have valid current professional liability insurance covering the Professional Services to be rendered pursuant to the agreement. This requirement shall be subject to waiver by the Manager with the consent of the District's General Counsel.

B. Automobile Insurance Requirement

Definition: For purposes of this Policy, "Driving Services" shall mean and refer to any services which directly require or include, as part and parcel of the performance of such services, the operation of a motor vehicle by any person in the course of performing such services.

Prior to entering into any agreement with a vendor under which the vendor or an agent of the vendor will provide Driving Services for or on behalf of the District, the Manager is responsible for ensuring that all such vendors and/or agents have valid current automobile insurance covering all vehicles that will be used to provide the Driving Services to be rendered pursuant to the agreement. This requirement shall be subject to waiver by the Manager for Driving Services that are limited to deliveries of materials, goods, supplies or equipment to or from the District.

C. Change Orders

When a change in the scope of service(s) is necessary and causes additional work that is required to continue the progression of an authorized purchase or amend a contract, the following shall apply:

Purchase orders or contract amendments resulting from a change in the scope of services shall require the following authorizations:

- Change in scope that cause the total purchase or contract amount to remain under \$5,000, and within the appropriated budget, must be authorized by approvals outlined above. If actual expenses are in excess of 10% of the original purchase order or contract amount, a supplemental purchase order will be required.
- Cumulative changes in scope which cause the original authorized purchase or contract that was less than \$5,000 to become \$5,000 or more must be approved by

the Board.

- For original purchases of \$25,000 or more that are a result of formal proposal procedures (Requests for Proposals), cumulative changes in scope necessitating additional payment(s) by the District of less than \$5,000 may be approved by the General Manager. Cumulative changes in scope necessitating additional payment(s) by the District of \$5,000 or more must be approved by the Board.

D. Emergency Purchases

In certain situations, it may be necessary to make emergency purchases, which shortcut the pre-approvals, as outlined above. An emergency purchase may be made when there is an immediate need to acquire particular goods or services not already available to District staff to deal with an emergency.

For purchasing purposes, an emergency situation is one in which there is an immediate threat to life or District property or a substantial disruption of a vital District service. Such emergency purchases must be approved by the Manager and reported to the Board at the next regularly scheduled Board meeting.

E. Sole Source

The proposal provisions of this policy may be waived by the Manager. If the General Manager determines that there is only a single source that provides the needed materials, goods, supplies, equipment or contractual services, the General Manager must provide a memo outlining the reasoning. If the amount exceeds \$5,000, the General Manager must present it to the Board for approval. **Note:** The use of the sole source provision is rare and infrequent due to the requirements to qualify for the use of this provision.

F. Conflict of Interest Disclosure

A conflict of interest arises whenever the personal interests of a purchaser and/or approver of any transaction are potentially at odds with the best interests of the District. Any person purchasing and/or approving any purchase shall disclose any personal conflict of interest to the Manager prior to any purchase and/or approval. The Manager shall disclose any personal conflict of interest to the Board. The Manager and the Board will determine the proper steps to resolve the conflict of interest.

III. FORMAL PROPOSAL PROCEDURES

A. Request for Proposals (required for purchases of \$25,000 or more)

A formal bidding procedure (“Request for Proposals” or “RFP”) shall be utilized for all contracts of \$25,000 or more, subject to the “piggy backing” process noted below. The use of formal proposal procedures does not guarantee the award of contracts for materials, goods, supplies, equipment, services, and/or Professional Services to the lowest bidder, but in most instances, the contract does get awarded to the lowest bidder. The formal bidding procedure is as follows:

- The Manager is responsible for initiating and administering purchases for materials, goods, supplies, equipment and/or services under his control. The General Manager may coordinate with others as necessary.
- An RFP will be sent to potential vendors (a number within reason, but a minimum of three) of which the Manager has knowledge. In addition to the District’s website, other means of advertisement are strongly encouraged for contracts of \$25,000 or more. A list of proposals received shall be maintained.
- The Manager has the responsibility to ensure that the proposal package will adequately and accurately describe the scope of services. Proposers shall be advised of any performance bond requirements, insurance requirements, minority business enterprise requirements, affirmative action requirements, business license requirements, contract requirements, and other requirements as applicable.
- The Manager will compile the proposals and prepare a recommendation for the Board. For contracts of \$25,000 or more, after Board approval the Manager or their designee will prepare a summary staff report.
- The Manager may reject all proposals and re-advertise at their discretion.
- If two or more proposals are received and are for the same total amount or unit price, quality and service being equal, and if the public interest will not permit a delay or re-advertising for proposals, the Board may elect to accept one as they choose.

Notwithstanding the foregoing, the District may dispense with the RFP procedures in procurement of materials, goods, supplies, equipment and services, and avail itself of another public agency’s contract prices obtained through that agency’s own RFP

process, so long as such prices are lower than the prices that can be obtained by the District's RFP process, and so long as certain findings are made by the Manager.

This "piggy-backing" process provides the District with greater flexibility to obtain the most competitive prices, reduces staff time, avoids the expense of soliciting contracts, and results in lower prices, due to economies of scale which often allows agencies larger than the District to obtain lower unit prices.

The findings that must be made by the Manager are as follows:

1. The contract with the party awarded the contract ("Contractor") is the result of competitive bidding or negotiation and is made in compliance with the competitive bid or proposal requirements of the agency whose prices the District desires to "piggy back" off ("Participating Public Agency") devoid of fraud perpetrated to any public official or staff, or collusion or fraud among the Contractor or any subcontractor, all of which determination is solely based on a thorough and complete investigation and review of all relevant documents, including but not limited to all bid documents and specifications, staff reports and approved minutes, it being understood that certain evidence extrinsic to such documents may not be readily available nor accessible to the General Manager; and
2. The contract awarded by the Participating Public Agency was awarded to the lowest responsive bidder, in compliance with the Participating Public Agency's RFP; and
3. The purchase conforms to the District's contract specifications; and
4. The estimated price of the purchase is lower than that estimated for the purchase if made directly by the District pursuant to other sections of this Policy.

Adopted 8/27/2020