



STAFF REPORT

Meeting Date: December 16, 2020
To: Board of Directors
From: Michael J. Aho, District Administrator
Subject: Discussion and Possible Action on Approval of Purchasing Policy Update
Prepared By: Katy Coss, Recreation Superintendent

I. Recommendation

Approve the updated Purchasing Policy seen in Attachment A.

II. Background

The District's Purchasing Policy has not been updated since 1988 (Attachment B) and the staff, along with the Board, identified the need for an update to the policy in recent discussions.

The purpose of the Purchasing Policy is to obtain the best value in goods and services for the District on behalf of the public, to promote fairness and consistency in its purchasing practices, and to define the responsibilities of the Purchasing Agent, as well as departments, in the purchase of goods and services.

The policy was reviewed by the Policy Review Committee on December 8, 2020 and their recommended changes have been incorporated into the final version attached to this staff report.

IV. Financial Analysis

There is no financial impact associated with this update.

Respectfully Submitted,

Michael J. Aho
District Administrator

Attachment A: Purchasing Policy Update
Attachment B: 1988 Purchasing Policy



PURCHASING POLICY

PURPOSE

To provide for the fair and equitable treatment of all persons involved in public purchasing to maximize the purchasing value of public funds in procurement and to provide safeguards for maintaining a procurement system of quality and integrity.

DEFINITIONS

Bid - Same as proposal, except may be verbal. See #5 below

Bidder - An individual, firm, or corporation or qualified representative thereof, submitting a bid or proposal to furnish and/or delivering specific items or to perform or execute contemplated work or services, or purchase District property; acting either directly or through an authorized representative.

Emergency: Any event that immediately impacts the health and safety of the public or environment and that by delaying action will result in substantial harm or damage to individuals, property, or the environment.

Invitation to Bid - An invitation, extended to a vendor(s) by telephone or letter, inviting a quotation for furnishing and /or delivering specific items or to perform or execute contemplated work or services, or purchase District property.

District Property - Any property, real or personal, owned by the District.

Proposal - The written offer of a bidder to furnish and/or deliver specific items or perform and execute work or services or to purchase District property as specified by the District.

Purchasing Agent - The Administrator or person appointed by the District Administrator acting within the scope of their delegated authority in the prosecution of the order.

Successful Bidder - The individual, firm, corporation, or qualified representative thereof, capable of delivering materials or supplies, or performing or executing the contemplated work or service required by the District.

FINANCIAL POLICY: PURCHASING, CONTRACTING AND PROCUREMENT

- I. Purchasing Agents
 - a. Designated Staff
 - b. Department Heads
 - c. District Administrator
 - d. Board Members

- II. Approving Authority

The spending authority of Designated Staff, Department Heads and the District Administrator shall be within authorized amounts for the purchase of property or professional services included in the annual budget approved by the Board of Directors. All purchases of items consisting of materials, supplies and equipment will require written approval from the appropriate department supervisor/manager prior to purchase. If the purchase exceeds the spending limit of the purchasers, approval must be obtained from the appropriate higher authority prior to purchase. After the proper approval

has been obtained, a District printed and signed Purchase Order may be issued. The following guidelines will be observed when purchasing such materials, supplies, equipment, and services:

a. Designated Staff

Staff that are responsible as a purchasing agent for the District, and have been approved as such by the District Administrator with consultation from the Department Head, will have limited authority of the following purchases:

- i. \$1,000 - Materials, Supplies and Equipment not related to new construction

b. Department Heads

An employee that is Management and oversees their department's operations and staff will have the authority of the following purchases:

- i. \$ 5,000 - Materials, Supplies and Equipment not related to new construction
- ii. \$5,000 - Materials, Supplies and Equipment related to new construction
- iii. \$5,000- Materials, Supplies and Equipment related to construction alterations and repairs

c. District Administrator

The District Administrator shall have the authority to approve purchases of personal property and services up to the following limitations:

- i. \$10,000 - Materials, Supplies and Equipment not related to new construction
- ii. \$20,000 - Materials, Supplies and Equipment related to new construction
- iii. \$20,000 - Materials, Supplies and Equipment related to construction alterations and repairs
- iv. Change Orders - up to \$20,000 and/or 10% of the approved contract amount
- v. \$10,000 - Professional Services
- vi. \$15,000 - Emergency Purchases (see III.d)

d. Board of Directors

The Fair Oaks Recreation & Park District Board of Directors shall have the authority to approve purchases of personal property, goods, and services without limitation, based on the available funding options within the District's overall budget.

III. Procurement Requirements

- a. When contracting for projects consisting of new construction, alteration or repairs, or the purchasing of materials, supplies and equipment related to such construction, when the cost will not exceed the sum of Thirty Thousand Dollars (\$30,000.00) price competition is not required and the project or purchase may be performed by negotiated contract or purchase order.
- b. When contracting for projects consisting of new construction, alteration or repairs, or the purchasing of materials, supplies and equipment related to such construction, when the cost of materials, supplies and labor for the project is One Hundred Seventy-Five Thousand Dollars (\$175,000.00) or less, the project or purchase may be let to contract by informal bidding procedures specified in the District's informal bidding ordinance adopted pursuant to the provision of Public Contract Code 22034.
- c. When the cost of materials, supplies and labor on the project, or the cost of purchase of materials, supplies and equipment related to such construction exceeds the sum of One Hundred Seventy-Five Thousand Dollars (\$175,000.00), that project or purchase shall be let to contract by the formal bidding procedure specified in Public Contract Code Sections 22037, 22038 and 22039.

- d. In the case of an emergency purchase, the Board shall review any action taken in response to such an emergency at its next regularly scheduled meeting and at every regularly scheduled meeting thereafter pursuant to the requirements of Public Contract Code Section 22050.

- i. Level 1 Emergency

1. Definition

- a. Level 1 emergency is:

- i. an unforeseen situation in which there is a breakdown in District service and there is an urgent need to restore such service to avoid serious and adverse consequences affecting the life, health, welfare, or property of the citizens of the District; or
 - ii. an unforeseen situation in which urgent measures need to be taken to avoid the possibility of risk or serious and adverse consequences affecting the life, health, welfare, property, or financial assets of the District. Lack of planning should not be an acceptable reason for declaration of a Level 1 Emergency.

2. Procedure

- a. In an emergency the District Administrator (or his/her designee) and/or the Board of Directors may authorize an emergency purchase and waive any bid requirements.
 - b. If the emergency occurs during normal working hours, the Management Personnel must attempt to obtain appropriate authorization for the purchase from the District Administrator (or his/her designee) and/or Board of Directors through telephone or verbal communications. After approval, the Management Personnel must notify the Accounting Department and submit required forms based on regular procedures.

- ii. Level 2 Emergency

1. Definition

- a. A Level 2 emergency is a situation where the District has made a formal Declaration of Emergency (following a County, State and/or Federal Declaration). In this case, the purchasing policies and procedures are waived for allowing purchases that are applicable to the declared emergency to be made as expeditiously as necessary.

2. Procedure

- a. The District Administrator (or his/her designee) and/or the Board of Directors will make the necessary decisions as to these purchases.

- e. When the District requires supplies, materials or equipment which are produced by only one manufacturer, such lists shall also include the phrase "or approved equivalent" to permit bidders to bid on alternative or additional makes, brands or types which are proved to be the equivalent to the manufacturer's make or brand specified. If the manufacturer or his representative is the sole responsible bidder or sole source of supply, the District Administrator may negotiate an open market order or contract with the manufacturer or his representative at prices and on terms most advantageous to the District.

When the District requires supplies, materials or equipment which are patented or proprietary, and which are obtainable in two (2) or more equally satisfactory and competitive makes, brands or types, the District may list such acceptable and competitive makes, brands, or types in the invitation to bid. Such lists shall also include the phrase "or approved equivalent" to permit bidders to bid on alternative or additional makes, brands, or types. It shall be incumbent on each bidder to prove to the satisfaction of the District Administrator that the alternate or additional make, brand, or type which he offers is actually equal in quality or performance to those listed in

the invitation to bid.

- f. The District may request the State Department of General Services to make purchases of materials, equipment, or supplies on its behalf if better value can be obtained by the District by utilizing this method of purchase.
- g. As an alternative, the District may request the purchasing agent of Sacramento County to make purchases of materials, equipment, or supplies not related to new construction on its behalf if this method of purchase reduces the cost of acquisition to the District.

IV. Procurement Guidelines for Goods and Equipment

- a. Purchases over \$20,000 must be approved by the Board of Directors. Upon approval, a District printed purchase order will be filled out and signed by the District Administrator. The following guidelines will be observed when purchasing such materials, supplies and equipment:
 - i. When procuring goods or equipment costing less than \$5,000, price competition is not required. However, every attempt should be made to secure the most reasonable price for the goods to be obtained.
 - ii. When procuring goods or equipment costing between \$5,001 and \$25,000, price competition will be secured by obtaining at least three written or oral quotations.
 - iii. When procuring goods or equipment costing over \$25,000, price competition will be obtained by formal advertising. Notice inviting bids shall be published in a newspaper of general circulation within the District at least one week before the time specified by the District's Board of Directors for receiving bids. Upon receiving such bids, the District Board of Directors may: 1) accept a bid, 2) reject all bids and readvertise, or 3) by a 4/5 vote select to purchase the materials or supplies in the open market if a better price can be obtained.
 - iv. Patented or proprietary items: When the District requires supplies, materials or equipment which are produced only by one manufacturer, the District Administrator may specify such manufacturer's make or brand in the invitation to bid and shall seek competitive bids from responsible bidders. If the manufacturer or his representative is the sole responsible bidder or sole source of supply, the Administrator may negotiate an open market order or contract with the manufacturer or his representative at prices and on terms most advantageous to the District.
- b. When the District requires supplies, materials, or equipment which are patented or proprietary and which are obtainable in two or more equally satisfactory and competitive makes, brands, or types, the officer may list such acceptable and competitive makes, brands, or types, in the invitation to bid. Such lists shall also include the phrase "or approved equivalent" to permit bidders to bid on alternative or additional makes, brands, or types. It shall be incumbent on each bidder to prove the satisfaction of the Administrator that the alternate or additional make, brand, or type which he offers is equal in quality or performance to those listed in the invitation to bid.

V. Procurement Guidelines for New Construction and Repairs

(Uniform Public Construction Cost Accounting Act)

- a. For all construction related projects, the Board of Directors have adopted the Uniform Public Construction Cost Accounting Act, list under the Public Contract Code Sections 22010 through 22045. For the purposes of this article, only a brief description of the Act will be listed, with the understanding that the entire Act has been adopted and is on file at the District Office.
 - i. Public project of \$25,000 or less may be performed by force account, by negotiated contract, or by purchase order.
 - ii. Public projects of \$75,000 or less may be let to contract by informal bidding procedures as stated within the Act.

- iii. Public projects of \$75,000 or more shall, except as otherwise provided within the Act, be let to contract by formal bidding procedures.

VI. Bid Policies for Goods and Equipment

The Purchasing Agent and the employees of the District are expressly prohibited from accepting, directly or indirectly, from any person, company, firm, or corporation, to which a purchase order or contract is or might be awarded, any rebate, gift, money, or anything of value whatsoever.

- a. Award of Bid - If awarded, will be made to the lowest and/or best responsible and qualified bidder whose proposal complies with the prescribed requirements or is comparable in quality.
- b. Rejecting Bids - Until an award of bid is made, the Purchasing Agent reserves the right to reject any and all bids, to accept one part and reject another, and to waive technical defects, if to do so best serves the interests of the District.
- c. Notice and Solicitation of Bid for Purchase of Supplies, Equipment, and Property - The Purchasing Agent shall give notice inviting bids to all suppliers, persons, and firms who file written requests with the District Office for such notice. In addition, the Purchasing Agent shall send notice inviting bids to such other firms or persons as in his/her opinion may be necessary to inform the trade.

VII. Bidder Prequalification

- a. The Administrator may require prequalification of bidders and may require bidders to provide information for the purpose of preparing and maintaining lists of qualified bidders. Prequalification shall be based on any available information, including but not limited to information provided by the bidder. A bidder's name may be removed from the list of qualified bidders for any of the following reasons:
 - i. Failure to respond to questionnaires issued by the Administrator or to provide a financial statement or other information as may be requested;
 - ii. Failure to respond to three consecutive invitations or requests for bids or quotations on a services or item offered by the bidder;
 - iii. Failure to satisfactorily perform under a previous purchase order or contract;
 - iv. Failure to respond to any inquiry from the Administrator regarding whether the bidder continues to be interested in doing business with the District;
 - v. Submission to the Administrator by the bidder of a written request to be removed from the list of qualified bidders;
 - vi. Change in qualifications of a bidder to the extent that they no longer meet the minimum requirements applicable to bidders offering the services or item offered by the bidder;

VIII. Bidding Regulations

- a. Deviations from Instructions - All quotations submitted to the District which do not substantially comply with the instructions for bidding may be rejected, whether the invitation to bid be by telephone, letter, or Notice Inviting Bid. Any unauthorized condition, limitation, provision, or substitute item by the bidder in a quotation may be cause for its rejection.
- b. Price Discrepancies - Other than in obvious cases to the contrary, the bid price shown in words, in a written proposal shall take precedence over the bid price shown in numbers, should any discrepancy exist. Also, other than obvious cases to the contrary, the bid price shown in the unit price will take precedence over the extension.
- c. Bid Closing Date and Hour - No bids received after a bid closing date and hour will be considered.
- d. Bonds - Bid Deposits and Faithful Performance Bonds shall be furnished to the District by all bidders and

successful bidders when and as specified by the Administrator.

IX. Disposition of District Property

- a. Purchasing - When purchasing any District property, the Administrator may solicit and accept advantageous trade-in allowances for the District property which has previously been determined by the Board of Directors to be no longer required for the purpose of the District. The Administrator shall pay the proceeds into the County Treasury for the use of the District. Where the property is exchanged or traded-in, the District Administrator shall secure its value on behalf of the District.
- b. Disposition and Advertising - In the disposition of any District property, upon the approval of the Board of Directors, the Administrator may purchase advertising space and may advertise the proposed sale or other disposition of the District property in such newspapers, magazines, and other periodicals as the Administrator may direct and with the limits of the order of the Board approving the advertising. The Administrator shall decide upon the amount, nature, make-up, and content of the advertising.
- c. Sale of District Property - At the Administrator's discretion, the sale of District property can be handled through the County Department of Surplus.

X. Acquisition of Land

- a. Selection of the site will be recommended by the District Administrator in conformance with the District Master Plan.
- b. Once a site has been chosen by the Board of Directors for possible purchase, the Administrator will secure an appraisal on the value of the site plus other anticipated costs.
- c. If the Board decides to purchase or lease the property for more than three consecutive years, the District shall:
 - i. Adopt a resolution declaring its intent to purchase or lease the property. The resolution shall include a description of the property, the proposed price, the names and addresses of the sellers or lessors, and the purpose for which the property is to be acquired.
 - ii. Set a time and place for a public hearing on the proposed acquisition.
 - iii. Publish once a week for two weeks in a newspaper of general circulation, the time and place set for the hearing.
 - iv. Give written notice of the proposed acquisition and the time and place set for hearing thereon by United States mail, postage prepaid, to all owners of property located within 500 feet of the property sought to be acquired. Said notice shall contain a description of the property, the purpose for which it is to be acquired, the names and addresses of the owners or lessors and the proposed price.
- d. After the provisions of this section have been complied with, the Administrator shall agenda the item for the Board of Directors and present a recommendation to said Board.

XI. Purchasing Cards

- a. It is the policy of the District to allow employees to use Purchasing Cards for specific procurements. Purchasing Cards are designed to provide a convenient and efficient method of procuring low value goods and services. District users will be able to make these small purchases simply and easily when a need arises. Purchasing Cards will reduce costs associated with processing requisitions, purchase orders and accounts payable, while creating good business relations with suppliers by speeding up payments to them. These efficiencies will allow all groups and individuals involved to be more effective and focused on the value-added aspect of their jobs.
- b. Employee Eligibility.
 - i. Purchasing Cards will be issued to authorized regular District employees only. The department head is responsible for authorizing his/her employees to use a Purchasing Card. Temporary/seasonal

employees are not eligible to participate in the program. The Accountant & Administrator have final approval.

- ii. The employee whose name appears on the card is the only individual who may use the card.
 - iii. An authorized employee will be required to make application and sign and abide by a cardholder agreement.
- c. Purchasing Card Use - General.
- i. The maximum transaction amount, the maximum monthly card limit, and the District's aggregate monthly limit will be established by the Accountant & Administrator or his/her designee.
 - ii. A department head may establish lower limits for department employees.
 - iii. Use of the Purchasing Card does not relieve the cardholder from complying with District and departmental policies and procedures. The Purchasing Card is not intended to replace effective procurement planning which can result in quantity discounts, reduced number of trips, and more efficient use of District resources.
 - iv. The cardholder will be responsible to report a lost or stolen card by phoning the contracting bank and advising his/her department head and the Accounting Department. The Accounting Department will confirm the loss in writing to the Bank. Only the Accounting Department may authorize a replacement card.
 - v. Cardholders are responsible to immediately inform the Accounting Department of any fraud directly relating to their purchasing card which occurred outside of their control, such as unauthorized charges.
- d. The following conditions must be met when using the Purchasing Card:
- i. Each single purchase may be comprised of multiple items, but the total must not exceed the maximum established transaction limit.
 - ii. When a purchase exceeds the maximum established transaction limit, the normal procedure of using purchase orders must be followed. Purchases must not be split to circumvent the transaction limit.
 - iii. The least expensive item that meets the needs of the department should be sought.
 - iv. Cardholders must follow their department's administrative control of funds procedures to ensure that sufficient budgeted funds are available for the purchase.
 - v. The cardholder must obtain an itemized receipt from the vendor and submit the receipt along with their reconciled account statement to the Accounting Department for payment.
- e. Card Restrictions.
- i. The following list covers purchases for which the Purchasing Cards are specifically prohibited:
 - 1. Cash advances or cash refunds;
 - 2. Personal use of any kind or any non-District purpose;
 - 3. Capital expenditures;
 - ii. A department head may specify further prohibitions or restrictions for department employees.
- f. Misuse of the Purchasing Card
- i. If for any reason disallowed charges are not repaid by the cardholder before the card billing is due and payable, the District shall retain a prior lien against and a right to withhold all funds payable to the employee up to an amount of the disallowed charges and interest at the same rate as charged by the purchasing card contractor. Consequences for misuse of the Purchasing Card can include:

1. Permanent revocation of Purchasing Card privileges;
2. Assignment of wages or repayment of discrepancies;
3. Notification to the District Administrator to investigate the matter further;
4. Disciplinary action, up to and including discharge.

g. Card Cancellation

i. A Purchasing Card may be canceled for any of the following reasons:

1. The card is lost or stolen;
2. The employee transfers to another department;
3. The employee retires, resigns, or is otherwise terminated from District employment;
4. The authorizing department head requests cancellation for any reason;
5. The Administrative Services Manager approves cancellation by recommendation of the Accountant for cardholder misuse or abuse of card privileges.

ii. It is the responsibility of the department head to advise the Accounting Department of the termination or transfer of any cardholder. The Accounting Department will then cancel the cardholder's Purchasing Card.

Approved By:

District Accountant

Date

Administrative Services Manager

Date

District Administrator

Date

Jennifer Larkin, District Clerk

Filing Date

ADMINISTRATIVE POLICY



PURCHASING

The following is the policy governing the purchase of equipment and goods, new construction and repairs, and the acquisition and sale of land.

The services of the County Purchasing Agent and Public Works are optional and at the discretion of the District Administrator.

A. Definitions

1. Bid - Same as proposal, except may be verbal. See #5 below
2. Bidder - An individual, firm, or corporation or qualified representative thereof, submitting a bid or proposal to furnish and/or delivering specific items or to perform or execute contemplated work or services, or purchase District property; acting either directly or through an authorized representative.
3. Invitation to Bid - An invitation, extended to a vendor(s) by telephone or letter, inviting a quotation for furnishing and /or delivering specific items or to perform or execute contemplated work or services, or purchase District property.
4. District Property - Any property, real or personal, owned by the District.
5. Proposal - The written offer of a bidder to furnish and/or deliver specific items, or perform and execute work or services or to purchase District property as specified by the District.
6. Purchasing Agent - The Administrator or person appointed by the District Administrator acting within the scope of his delegated authority in the prosecution of the order.
7. Successful Bidder - The individual, firm, corporation, or qualified representative thereof, capable of delivering materials or supplies, or performing or executing the contemplated work or service required by the District.

B. Purchasing Policies

The Purchasing Agent shall act in the best interest of the District, in accordance with the rules, regulation, and policies herein set forth and all applicable provisions of the law.

Emergency Purchases

If an emergency occurs the District Administrator may make the purchase without price competition. An emergency shall be deemed to exist when unforeseen circumstances arise in which an immediate purchase is necessary in order to avoid a substantial hazard to life or property or a serious interruption in the operation of the District.

C. Purchasing Procedures

1. Authority of Purchasing Agent - The Purchasing Agent is authorized to engage services and/or purchase material, supplies, and equipment in accordance with the provisions of this section.
2. Authorization to Purchase - All items to be purchased must be submitted to the Purchasing Agent for the District's approval.
3. Procurements will be made by issuance of a purchase order. Each purchase order will be issued by the employees designated by the District Administrator. No other employee of the District may issue a purchase order or otherwise commit to the expenditure of District funds.
 - (a) Violation of Policy - Any violation of this policy shall render the contract or transaction involved voidable at the option of the District's Board of Directors.
 - (b) Appeals Procedure - Any person aggrieved by a decision of the Administrator pursuant to this policy may appeal to the District Board of Directors for a final determination. With regard to any such appeal which relates to a contract award, the appeal must be filed with the District within five days of the date of such award. No contract may be executed by the District during the five-day period after the date of award and during any period while an appeal is pending before the District Board, unless an emergency exists as specified in Section B.
4. Upon receipt of materials or equipment purchased, the invoice should be submitted to the Business Division for processing and possible inventory recording under fixed assets.
5. It shall be District policy that preference be given to local merchants (within the geographical boundary of the District) provided such things as price, quality, and services or availability are satisfactory.

D. Procurement Guidelines for Goods and Equipment

1. When procuring goods or equipment costing less \$1,000, price competition is not required.
2. When procuring goods or equipment costing between \$1,000 and \$5,000, price competition will be secured by obtaining at least three written or oral quotations.
3. When procuring goods or equipment costing over \$5,000, price competition will be obtained by formal advertising. Notice inviting bids shall be published in a newspaper of general circulation within the District at least one week before the time specified by the District's Board of Directors for receiving bids.

Upon receiving such bids, the District Board of Directors may: 1) accept a bid, 2) reject all bids and readvertise, or 3) by a 4/5 vote select to purchase the materials or supplies in the open market if a better price can be obtained.

4. Patented or proprietary items: When the District requires supplies, materials or equipment which are produced only by one manufacturer, the District Administrator may specify such manufacturer's make or brand in the invitation to bid and shall seek competitive bids from responsible bidders. If the manufacturer or his representative is the sole responsible bidder or sole source of supply, the Administrator may negotiate an open market order or contract with the manufacturer or his representative at prices and on terms most advantageous to the District.

When the District requires supplies, materials, or equipment which are patented or proprietary and which are obtainable in two or more equally satisfactory and competitive makes, brands, or types, the officer may list such acceptable and competitive makes, brands, or types, in the invitation to bid. Such lists shall also include the phrase "or approved equivalent" to permit bidders to bid on alternative or additional makes, brands, or types. It shall be incumbent on each bidder to prove the satisfaction of the Administrator that the alternate or additional make, brand, or type which he offers is equal in quality or performance to those listed in the invitation to bid.

E. Procurement Guidelines for New Construction and Repairs
(Uniform Public Construction Cost Accounting Act)

For all construction related projects, the Board of Directors have adopted the Uniform Public Construction Cost Accounting Act, list under the Public Contract Code Sections 22010 through 22045. For the purposes of this article, only a brief description of the Act will be listed, with the understanding that the entire Act has been adopted and is on file at the District Office.

1. Public project of \$25,000 or less may be performed by force account, by negotiated contract, or by purchase order.
2. Public projects of \$75,000 or less may be let to contract by informal bidding procedures as stated within the Act.
3. Public projects of \$75,000 or more shall, except as otherwise provided within the Act, be let to contract by formal bidding procedures.

F. Bid Policies for Goods and Equipment

The Purchasing Agent and the employees of the District are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation, to which a purchase order or contract is or might be awarded, any rebate, gift, money, or anything of value whatsoever.

1. Award of Bid - If it be awarded, will be made to the lowest and/or best responsible and qualified bidder whose proposal complies with the prescribed requirements or is comparable in quality.
2. Rejecting Bids - Until an award of bid is made, the Purchasing Agent reserves the right to reject any and all bids, to accept one part and reject another, and to waive technical defects, if to do so best serves the interests of the District.
3. Notice and Solicitation of Bid for Purchase of Supplies, Equipment, and Property - The Purchasing Agent shall give notice inviting bids to all suppliers, persons, and firms who file written requests with the District Office for such notice. In addition, the Purchasing Agent shall send notice inviting bids to such other firms or persons as in his opinion may be necessary to inform the trade.

G. Bidder Prequalification

1. The Administrator may require prequalification of bidders and may require bidders to provide information for the purpose of preparing and maintaining lists of qualified bidders. Prequalification shall be based on any available information, including but not limited to information provided by the bidder. A bidder's name may be removed from the list of qualified bidders for any of the following reasons:

(a) Failure to respond to questionnaires issued by the Administrator or to provide a financial statement or other information as may be requested;

(b) Failure to respond to three consecutive invitations or requests for bids or quotations on a services or item offered by the bidder;

(c) Failure to satisfactorily perform under a previous purchase order or contract;

(d) Failure to respond to any inquiry from the Administrator regarding whether the bidder continues to be interested in doing business with the District;

(e) Submission to the Administrator by the bidder of a written request to be removed from the list of qualified bidders;

(f) Change in qualifications of a bidder to the extent that he no longer meets the minimum requirements applicable to bidders offering the services or item offered by the bidder;

H. Bidding Regulations

1. Deviations from Instructions - All quotations submitted to the District which do not substantially comply with the instructions for bidding may be rejected, whether the invitation to bid be by telephone, letter, or Notice Inviting Bid. Any unauthorized condition, limitation, provision, or substitute item by the bidder in a quotation may be cause for its rejection.
2. Price Discrepancies - Other than in obvious cases to the contrary, the bid price shown in words, in a written proposal shall take precedence over the bid price shown in numbers, should any discrepancy exist. Also, other than obvious cases to the contrary, the bid price shown in the unit price will take precedence over the extension.
3. Bid Closing Date and Hour - No bids received after a bid closing date and hour will be considered.

H. Bidding Regulations Cont.

4. Bonds - Bid Deposits and Faithful Performance Bonds shall be furnished to the District by all bidders and successful bidders when and as specified by the Administrator.

I. Disposition of District Property

1. Purchasing - When purchasing any District property, the Administrator may solicit and accept advantageous trade-in allowances for the District property which has previously been determined by the Board of Directors to be no longer required for the purpose of the District. He/she shall pay the proceeds into the County Treasury for the use of the District. Where the property is exchanged or traded-in, he/she shall secure its value in behalf of the District.
2. Disposition and Advertising - In the disposition of any District property, upon the approval of the Board of Directors, the Administrator may purchase advertising space and may advertise the proposed sale or other disposition of the District property in such newspapers, magazines, and other periodicals as he may direct and with the limits of the order of the Board approving the advertising. The Administrator shall decide upon the amount, nature, make-up, and content of the advertising.
3. Sale of District Property - At the Administrator's discretion, the sale of District property can be handled through the County Department of Surplus.

J. Acquisition of Land

1. Selection of the site will be recommended by the District Administrator in conformance with the District Master Plan.
2. Once a site has been chosen by the Board of Directors for possible purchase, the Administrator will secure an appraisal on the value of the site plus other anticipated costs.
3. If the Board decides to purchase or lease the property for more than three consecutive years, the District shall:
 - (a) Adopt a resolution declaring its intent to purchase or lease the property. The resolution shall include a description of the property, the proposed price, the names and addresses of the sellers or lessors, and the purpose for which the property is to be acquired.
 - (b) Set a time and place for a public hearing on the proposed acquisition.

J. Acquisition of Land Cont.

(c) Publish once a week for two weeks in a newspaper of general circulation, the time and place set for the hearing.

(d) Give written notice of the proposed acquisition and the time and place set for hearing thereon by United States mail, postage prepaid, to all owners of property located within 500 feet of the property sought to be acquired. Said notice shall contain a description of the property, the purpose for which it is to be acquired, the names and addresses of the owners or lessors and the proposed price.

4. After the provisions of this section have been complied with, the Administrator shall agenda the item for the Board of Directors and present a recommendation to said Board.

BOOKKEEPING

A. List of Entries

1. The following entries are to be made monthly and posted to the general ledger. The entries are prepared from information obtained from the cash receipts, payroll sheets, and claim sheets in the District Office and from statements received from the County Auditor-Controller's Office. By using the statements and data submitted by the County Auditor-Controller, the District is able to eliminate considerable detailed bookkeeping and at the same time maintain an overall control of the District's financial operations.
2. Supporting evidence should be attached to each claim sheet where possible and each sheet should be reviewed and approved by the District Administrator and the Board of Directors prior to posting to the general ledger.

B. Nature of Journal Entry

1. Cash transactions at District Office, consisting principally of cash receipts and the depositing of such monies in the County Treasury.
2. Record purchases for materials, services, etc. made by the District and submitted to the County Auditor-controller for payment to vendor. The request for payment is made on forms provided by County Auditor-Controller in payment of claims.