

**SPECIAL MEETING OF THE
FLORIN RESOURCE CONSERVATION DISTRICT
BOARD OF DIRECTORS**

Agenda

Wednesday, November 14, 2018

6:30 PM

**9257 Elk Grove Blvd.
Elk Grove, CA 95624**

Compliance with Government Code Section 54957.5

The Board will discuss all items on the agenda, and may take action on any item listed as an "Action" item. The Board may discuss items that do not appear on the agenda, but will not act on those items unless there is a need to take immediate action and the Board determines by a two-thirds (2/3) vote that the need for action arose after posting of the agenda.

If necessary, the Meeting will be adjourned to Closed Session to discuss items on the agenda listed under "Closed Session." At the conclusion of the Closed Session, the meeting will reconvene to "Open Session."

CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE

1. Procurement Policies (Mark Madison, General Manger/Patrick Lee, Finance Manager)

Associate Director Comment

Public Comment

Recommended Action: Adopt Resolution No. 11.14.18.01, repealing and replacing Resolution No. 10.18.06.02, Policy No. 8 - District Bidding Policy and Procedures for Public Works Construction Contracts and establishing a new Public Works Construction Contracts Policy; and

Adopt Resolution 11.14.18.02, repealing and replacing Resolution No. 09.23.09.01 "Exhibit A", Policy No. 3 - Purchase of Goods and Services from Outside Vendors and establishing a new Purchase of Goods and Services from Outside Vendors Policy; and

Adopt Resolution 11.14.18.03, establishing a new Professional and Consultant Services Agreements Policy; and

Adopt Resolution 11.14.18.04, establishing a new Acquisition of Real Property Policy.

2. Recognition of Director Jeanne Sabin for her service on the Florin Resource Conservation District Board of Directors (Tom Nelson, Chairperson)

Associate Director Comment

Public Comment

Adjourn to Regular Meeting – December 19, 2018

November 14, 2018

TO: Chairperson and Directors of the Florin Resource Conservation District
FROM: Patrick Lee, Finance Manager/Treasurer
SUBJECT: **PROCUREMENT POLICIES**

RECOMMENDATION

It is recommended that the Florin Resource Conservation District Board of Directors:

1. Adopt Resolution No. 11.14.18.01, repealing and replacing Resolution No. 10.18.06.02, Policy No. 8 - District Bidding Policy and Procedures for Public Works Construction Contracts and establishing a new Public Works Construction Contracts Policy; and
2. Adopt Resolution No. 11.14.18.02, repealing and replacing Resolution No. 09.23.09.01 "Exhibit A", Policy No. 3 - Purchase of Goods and Services from Outside Vendors and establishing a new Purchase of Goods and Services from Outside Vendors Policy; and
3. Adopt Resolution No. 11.14.18.03, establishing a new Professional and Consultant Services Agreements Policy; and
4. Adopt Resolution No. 11.14.18.04, establishing a new Acquisition of Real Property Policy.

SUMMARY

The California Public Resources Code, Division 9 sets forth the authority and process for establishing and adopting purchasing policies and procedures as required by Sections 54201 through 54204 of the Government Code. The policies shall be in writing, copies of which shall be available for public distribution.

By these actions, if adopted, the Florin Resource Conservation District (FRCD) Board of Directors (Board) will: 1) repeal and replace Resolution No. 10.18.06.02, Policy No. 8 - District Bidding Policy and Procedures for Public Works Construction Contracts; 2) repeal and replace Resolution No. 09.23.09.01 "Exhibit A" Policy No. 3 - Purchase of Goods and General Services from Outside Vendors; 3) establish a professional and consultant services agreement policy; and 4) establish an acquisition of real property policy.

PROCUREMENT POLICIES

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DISCUSSION

Background

On October 18, 2006, the Board adopted Resolution No. 10.18.06.02, Policy No. 8 - District Bidding Policy and Procedures for Public Works Construction Contracts and on September 23, 2009, the Board adopted Resolution No. 09.23.09.01 "Exhibit A", Policy No. 3 - Purchase of Goods and Services from Outside Vendors, amending the District's Purchase of Goods and Services from Outside Vendors policy. This policy encompasses the procedures for the procurement of professional services as well as goods and services from outside vendors.

These policies provide instructions to District staff by documenting the necessary steps and dollar limit approval thresholds for each of the different types of procurement the District may enter into.

A specific key objective to be completed in fiscal year (FY) 2018-19 is the review and update of the District's procurement policies to 1) ensure compliance with Public Resources Code procurement requirements; 2) establish a new policy for the acquisition of real property; and 3) tighten the authority on dollar limit approval thresholds.

Present Situation

The proposed procurement policies were developed by staff and reviewed by legal counsel and various Board working groups. These policies will allow staff to maintain strict financial control, while balancing administrative and operational efficiency and establishing a competitive environment to provide the District with the best overall value. Since each individual policy is specific in its procurement category, but falls under the umbrella of procurement policies, staff is taking all four proposed policies to the Board for consideration under the same report.

In establishing these policies, staff has followed the federal procurement guidelines as detailed in Title 2 of the Code of Federal Regulations Part 200 (2 CFR 200) of the Uniform Guidance. For all four proposed policies, staff has set the dollar limit thresholds for requiring price quotes or competitive bidding, to levels below the thresholds set by 2 CFR 200. By setting the dollar limits lower than the federal procurement requirements, this will allow the District to exercise conservative procurement practices and ensure compliance with federal procurement requirements.

PROCUREMENT POLICIES

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All proposed procurement policies have been expanded to include language specifying 1) the requirements before an agreement or contract can be brought before the Board as an agenda item; 2) the retention requirements for approved agreements and contracts; 3) the requirements for sole source purchasing; and 4) the requirements for emergency purchases.

A summary of the changes the Board working groups developed relative to each of the proposed policies (Attached) is provided below:

1. Public Works Construction Contracts Policy

Board Working Group: Tom Nelson and Bob Gray

The District's bidding policy and procedures for public works construction contracts was previously encompassed in Policy No. 8 – District Bidding and Procedures for Public Works Construction Contracts as adopted by Resolution No. 10.18.06.02. With the repeal and replacement of Resolution No. 10.18.06.02, the procurement guidelines and procedural requirements for public works construction contracts have been established under a new policy.

This new policy sets forth the procedural requirements and dollar limit approval thresholds for public works construction contracts of less than \$100,000 and in excess of \$100,000. Changes to the proposed policy include reducing the General Manager's dollar limit approval threshold from \$150,000 down to \$100,000. All public works construction contracts in excess of \$100,000 will continue to require Board approval. The proposed policy also adds provisions for the approval of change orders for contracts less than \$100,000, and contracts more than \$100,000.

2. Purchase of Goods and Services from Outside Vendors Policy

Board Working Group: Tom Nelson and Jeanne Sabin

The purchase of goods and services was previously encompassed in Policy No. 3 – Purchase of Goods and Services from Outside Vendors, as adopted by Resolution No. 09.23.09.01 "Exhibit A". With the repeal and replacement of Resolution No. 09.23.09.01 Exhibit A, the procurement guidelines and procedural requirements for the purchase of goods and services have been established under a stand-alone policy.

PROCUREMENT POLICIES

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Changes to the proposed policy include increasing the petty cash purchase threshold from \$50 to \$100, increasing the minor purchase threshold from more than \$50 but less than \$500, to more than \$100 but less than \$3,000, and increasing the intermediate purchase threshold from more than \$500 but less than \$50,000 to more than \$3,000 but less than \$50,000. The major purchase threshold remained unchanged at \$50,000. The proposed policy also adds provisions for the approval of change orders for contracts more than \$3,000 but less than \$50,000, and contracts more than \$50,000.

3. Professional and Consultant Services Agreements Policy

Board Working Group: Jeanne Sabin and Lisa Medina

The procurement of professional and consultant services was previously encompassed in Policy No. 3 – Purchase of Goods and Services from Outside Vendors, as adopted by Resolution No. 09.23.09.01 “Exhibit A”. With the repeal and replacement of Resolution No. 09.23.09.01 “Exhibit A” the procurement guidelines and procedural requirements for the procurement of professional and consultant services have been established under a stand-alone policy.

This new policy sets forth the procedural requirements and dollar limit approval thresholds for professional and consultant services. Agreements for less than \$3,000 will be let to the consultant of the District’s choice, agreements between \$3,001-\$50,000 will require the solicitation of three informal proposals, and agreements in excess of \$50,000 will require a formal proposal solicitation through a request for proposal. The current policy has two approval thresholds, agreements more than \$500 but less than \$50,000 and agreements exceeding \$50,000. Changes to the proposed policy include resetting the purchasing threshold to any agreements up to \$3,000, more than \$3,000 but less than \$50,000 and anything over \$50,000. The proposed policy also adds provisions for the approval of change orders for agreements more than \$3,000 but less than \$50,000, and agreements more than \$50,000.

4. Acquisition of Real Property Policy

Board Working Group: Sophia Scherman and Bob Gray

The District did not previously have a policy governing the acquisition of real property. This new policy will provide guidance and governance over the

PROCUREMENT POLICIES

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acquisition of real property with District funds, acquisition through grants, donations, gifts, dedications and property exchanges, and real property rents and leases.

ENVIRONMENTAL CONSIDERATIONS

There are no direct environmental considerations associated with this report.

STRATEGIC PLAN CONFORMITY

The proposed procurement policies meet the Regulatory Compliance section and the Financial Stability section of the 2012-2017 Strategic Plan.

FINANCIAL SUMMARY

There is no direct financial impact associated with this item at this time.

Respectfully submitted,



PATRICK LEE
FINANCE MANAGER/TREASURER

Attachments

RESOLUTION NO. 11.14.18.01

A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS REPEALING AND REPLACING RESOLUTION NO. 10.18.06.02, POLICY NO. 8 - DISTRICT BIDDING POLICY AND PROCEDURES FOR PUBLIC WORKS CONSTRUCTION CONTRACTS AND ESTABLISHING A NEW PUBLIC WORKS CONSTRUCTION CONTRACTS POLICY

WHEREAS, the Florin Resource Conservation District (“District”) is required by California law to adopt purchasing policies and procedures; and

WHEREAS, California Public Resources Code, Division 9 set forth the authority and process for establishing purchasing policies and procedures; and

WHEREAS, an appropriate procurement policy will assist the District by documenting the bidding requirements and procedures for public works construction contracts; and

WHEREAS, the District Board of Directors adopted Policy No. 8 - District Bidding Policy and Procedures for Public Works Construction Contracts by Resolution No. 10.18.06.02; and

WHEREAS, the District wishes to repeal and replace Resolution No. 10.18.06.02 and establish a new Public Works Construction Contracts Policy to ensure compliance with California and federal law.

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. Resolution No. 10.18.06.02 is hereby repealed.

SECTION 2. The Board of Directors hereby adopts the Public Works Construction Contracts Policy as incorporated herein, and attached hereto as Exhibit “A.”

SECTION 3. The Secretary to the Board of Directors shall certify to the adoption of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2018.

Tom Nelson, Chairperson of the Board of Directors

Attest:

Stefani Phillips, Secretary of the Board of Directors

APPROVED AS TO FORM:

Richard E. Nosky, District Legal Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“PUBLIC WORKS CONSTRUCTION CONTRACTS POLICY”

[Attached behind this cover page]

FLORIN RESOURCE CONSERVATION DISTRICT

ADOPTED BY FRCD RESOLUTION NO. 11.14.18.01

PUBLIC WORKS CONSTRUCTION CONTRACTS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for Public Works Construction Contracts. All contracts for public works construction services required by the District shall be made in accordance with this policy.

Section 1. Public Works Construction Projects shall include the construction, reconstruction, erection, alteration, renovation, improvement, demolition, painting or repair of any publicly owned, leased or operated facility.

Section 2. Capital improvement projects can be completed under numerous contractual formats between the owner, and design and construction service providers. Two commonly applied delivery methods in public works projects are design-bid-build (DBB) and design/build (DB). Design build shall only be considered in accordance with California law. The District will utilize the method deemed most appropriate based on capacity, cost, risk and schedule:

(1) Design-bid-build (DBB): owner contracts separately with a designer and a contractor. The design firm is hired to deliver 100 percent complete design documents. The owner or agent then solicits fixed price bids from contractors to perform the work. Designers and contractors bear no contractual obligation to one another and the owner bears all risk associated with the completeness of the design documents.

(2) Design/build (DB): owner typically hires a single entity, the design/builder, to perform both design and construction under a single contract. Portions or all of the design and construction may be performed by the entity or subcontracted to other companies. DB is characterized by high levels of collaboration between the design and construction disciplines, input from multiple trades into the design, and a single entity bearing project risk. Typically, the general contractor is responsible contractually for this delivery method. One variation of DB is to have the builder provide the owner with a construction cost estimate at the 75% design stage. Based on the cost estimate, the owner reserves the option to sever ties with the builder and bid the project instead.

Section 3. Before a contract is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the contract must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;

- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's a contract that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the contract shall be taken to the Board unsigned by either party.

Section 4. Each contract entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 5. It is against District policy to split into smaller orders the contract for services for the purpose of evading the competitive bidding provisions of this policy.

Section 6. The General Manager or the Board may reject any or all bids received as part of the bidding process.

Section 7. The procedures and rules for public works construction contracts are as follows:

(1) *Public Works Construction Contracts (Contracts valued less than \$100,000):* For Public Works Construction Contracts valued less than \$100,000, District staff shall use the following informal, competitive bidding procedures:

- i. Solicit informal bids or quotations by written request (via fax, e-mail, or mail) from at least three contractors, or justify why such quotations were not possible or justified;
- ii. The District shall select the Bidder quoting the lowest responsive, responsible quotation. If another Bidder is selected, the reasons for not selecting the Bidder with the lowest quote shall be documented and included as an attachment to the owner's record of contract;
- iii. Award of contracts. A construction contract (short-form version) shall be used as the form of contract and must be approved by the General Manager. Two (2) copies of the contract must be wet signed by the successful Bidder and both wet-signed copies returned to the District, together with complete, certified copies of the Performance Bond, Payment Bond and certificates of insurance, within 10 calendar days of the Bidder's receipt of the construction contract documents. Prior to the General Manager approving the contract, District Legal Counsel shall review the contract and provide approval as to the contract's form. After legal counsel review, the General Manager shall review the construction contract, the availability of budgeted funds to cover the contract, and compliance with proper contracting procedures;

- iv. A multiple year contract with a total cost that is projected to cost less than \$100,000 over the term of the contract shall be governed by the same procedures above.
- v. For contracts valued at less than \$100,000, the General Manager may approve change orders or contract amendments. Change orders more than 20% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the change order and the original contract amount exceeds the General Managers signing authority of \$100,000, the change order must be approved by the Board.

(2) *Public Works Construction Contracts (Contracts valued at \$100,000 or more):* For Public Works Construction Contracts valued at \$100,000 or more, District staff shall use the following formal, competitive bidding procedures:

- i. **Call for Bids.** After preparation of plans and specifications, a notice inviting sealed bids shall be published in a newspaper of general circulation in the District a minimum of 14 days in advance of the bid opening, however, it is preferred to give 3 weeks' notice before bid opening. The notice inviting sealed bids shall also be advertised on the District's website and shall be sent to such interested persons as may be determined by the General Manager.
 - a. Form of Call for Bids. The invitation for bids shall contain:
 - i. A statement that the plans and specifications of the Work to be constructed may be purchased at the District Office;
 - ii. A particular description of the portion of the Work advertised if less than the whole Work is advertised;
 - iii. A statement that the District will receive sealed bids for the construction of the Work advertised or any portion of the Work designated by the District;
 - iv. A statement that the contract or contracts for the Work advertised will be awarded to the lowest responsive, responsible Bidder or Bidders, but that any or all bids may be rejected;
 - v. A statement of the time and place for opening the bids; and
 - vi. Such other information as may be required by the District.

- ii. **Submission of Bids.** Bids shall be submitted on forms supplied by the District, and under sealed cover. Each bid shall be accompanied by cash, a certified cashier's check, or bond secured from a surety company satisfactory to the District in the amount indicated within the bid documents, as bid security.
- iii. **Opening of Bids.** Bids shall be publicly opened at the time and place specified in the Call for Bids.
- iv. **Bid Acceptance and Evaluation.** Acceptance of any bid shall be by action of the Board. The Board reserves the right to waive any irregularity; to reject any or all bids, and to re-advertise for bids, or proceed to construct the Work, or any part of it with District forces.
 - a. Bids containing omissions, erasures, alterations, conditions, or additions not called for can be rejected.
- v. **Bid Award.** The Board shall award the contract for the Work to the lowest responsive, responsible Bidder.
 - a. In determining whether a bidder is responsible, consideration may be given to:
 - i. The ability, capacity and skill of the Bidder to perform the Work;
 - ii. The ability of the Bidder to perform the Work within the time specified without delay;
 - iii. The ability of the Bidder to perform the Work in a safe manner;
 - iv. The character, integrity, reputation, judgment, experience and efficiency of the Bidder; and
 - v. The quality of the Bidder's performance on previous work with the District.
- vi. **Relief of Bidders.**
 - a. A Bidder shall not be relieved of his/her bid unless by consent of the Board of Directors upon a showing by the Bidder to the satisfaction of the Board that:
 - i. A mistake was made; and
 - ii. The Bidder gave the District written notice within five days after the opening of bids of the mistake; specifying in the notice in detail how the mistake occurred; and

- iii. The mistake made the bid materially different than the bidder intended it to be; and
 - iv. The mistake was made in filling out the bid and not due to error in judgment or carelessness in inspecting the site of the Work or in reading the plans or specifications.
 - v. A Bidder who claims a mistake or forfeits his/her bid security shall be prohibited from participating in further bidding on the project on which the mistake was claimed or security forfeited.
- vii. **Return of Bid Guarantees.** After bids have been received and reviewed by the District, Bid Guarantees, except those submitted by the three lowest responsive, responsible Bidders, will be returned to the Bidders within 10 calendar days after the award of the contract. The Bid Guarantees of the three lowest responsive, responsible Bidders will be returned, except as noted otherwise in Section 7.4, “Failure to Execute Contract” of this Policy, within 10 calendar days after the successful Bidder has filed the specified bonds and proof of insurance and the Bidder and the District have executed a Contract.
- viii. Regardless of their value, Public Works Construction Contracts for Work funded or financed with federal or state funds, pursuant to federal or state law requiring formal competitive bidding, shall be let by the formal competitive bidding procedures set forth above.
- i. **Change Orders.** For contracts valued more than \$100,000 but less than \$250,000, the General Manager may approve change orders or contract amendments that are less than 20% of the original contract. For contracts valued at more than \$250,000, the General Manager may approve change orders or contract amendments that are less than 10%. All change orders that exceed the set thresholds must be approved by the Board.

(3) **Execution of Contract.** A construction contract (long-form version) shall be used as the form of contract. Two (2) copies of the contract must be wet signed by the successful Bidder and both wet-signed copies returned to the District, together with complete, certified copies of the Performance Bond, Payment Bond and certificates of insurance, within 10 calendar days of the Bidder’s receipt of the construction contract documents. District Legal Counsel shall review the contract and provide approval as to the contract’s form. After legal counsel review, the General Manager shall review the contract, the availability of budgeted funds to cover the agreement, and compliance with proper contracting procedures. District staff shall prepare a staff report that identifies the availability of budgeted funds for the construction contract, and staff shall take the contract to the Board for approval authorizing the General Manager to execute the contract. Board approval may be by either adoption of a resolution or approval of a

motion; Insurance certificates must be signed by a person authorized by the insurer to bind coverage on its behalf and must be accompanied by copies of all endorsements required by Section 7.2.6, "Insurance", of this Policy. The District shall wet sign both copies of the contract and return one original, signed contract, with bonds and certificates of insurance to the Contractor.

(4) **Failure to Execute Contract.** If the Bidder to whom the contract is awarded fails to execute the contract and file the required bonds and insurance certificates within 10 calendar days from the time the contract forms are received by the Bidder, the award may be annulled and the Bidder's Bid Guarantee forfeited to the District up to the full amount. The contract may then be awarded to the next lowest responsive, responsible Bidder.

(5) **Performance and Payment Bonds.**

i. For Contracts valued at less than \$100,000

1. If the Total Contract Price exceeds \$25,000, any bidder to whom a contract is awarded shall execute and provide to District concurrently with the Contract a Payment Bond, equal to one hundred percent (100%) of the amount payable under the Contract in a form provided or approved by the District. If such bonds are required, no payment will be made to Contractor until the bonds has been received and approved by the District.
2. Performance bonds are not required for contracts valued at less than \$100,000.

ii. For Contracts valued at \$100,000 or more.

1. Any bidder to whom a formal contract is awarded for any work shall supply on forms satisfactory to the District a Faithful Performance Bond in an amount equal to the total contract price, and a Laborer and Materialmen's Payment Bond in an amount equal to the total contract price. These bonds must be executed by an admitted surety, approved to conduct business in the State of California pursuant to California Code of Civil Procedure section 995.120. In addition to the extent required by law, the Bonds are to be accompanied by the documents required by Code of Civil Procedure section 995.660.
2. Each bond shall be secured from a surety company that meets all State of California bonding requirements, as defined in California Code of Civil Procedure Section 995.120 and is authorized by the State of California. Each bond shall be accompanied, upon request

of District, with all documents required by California Code of Civil Procedure Section 995.660, to the extent required by law.

(6) Insurance.

- i. Before work commences under construction contract, the successful Bidder must provide the District proof of insurance in the form of a valid Certificate of Insurance. The successful Bidder's insurance must meet all of the District's insurance requirements as specified in the construction contract, including naming the District as an additional insured. Insurance certificates must be signed by a person authorized by the insurer to bind coverage on its behalf and must be accompanied by copies of all endorsements.

(7) Prequalification.

- i. The General Manager or his/her designee is hereby authorized to prequalify bidders on District Work, if deemed appropriate by the General Manager. Bidders may only be prequalified on a project specific basis. The General Manager or his/her designee may designate one or more scoring systems consistent with the requirements of the Public Contract Code.

(8) Exemptions from Competitive Bidding Procedure.

- i. The competitive bidding procedure set forth above shall not apply for the following Work:
 - a. Force Account Work. Force Account Work shall mean work performed by District personnel, whether permanent or temporary.
 - b. Work Performed by a Utility or Public Entity. Work performed by a utility for the installation and/or relocation of utilities on behalf of the District or contracts for services with any public entity for plan check, inspection, or permitting.
 - c. When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager and the District Board. Please refer to Section 8 of this policy.
 - d. In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be a disruption of a vital public service. Please refer to Section 9 of this policy.

Section 8. Sole Source Procurement:

(1) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:

- i. Only one known source exists for supplies or services as determined by documented research; or
- ii. No other reasonable alternative source exists that meets the Districts requirements; or
- iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.);

(2) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for purchases up to \$100,000, or the Board for purchases costing more than \$100,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the contractor as the only known source;
- iii. A description of the marketplace to include distributors, contractors, etc.;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 9. Emergency Procurements

(1) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;

(2) An emergency procurement must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency procurement is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.

(3) For emergency procurement exceeding \$100,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval.

RESOLUTION NO. 11.14.18.02

**A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT
BOARD OF DIRECTORS REPEALING AND REPLACING RESOLUTION NO.
09.23.09.01 “EXHIBIT A”, POLICY NO. 3 - PURCHASE OF GOODS
AND SERVICES FROM OUTSIDE VENDORS AND ESTABLISHING
A NEW PURCHASE OF GOODS AND SERVICES
FROM OUTSIDE VENDORS POLICY**

WHEREAS, the Florin Resource Conservation District (“District”) is required by California law to adopt purchasing policies and procedures; and

WHEREAS, California Public Resources Code, Division 9 set forth the authority and process for establishing purchasing policies and procedures; and

WHEREAS, an appropriate procurement policy will assist the District by documenting the bidding requirements and procedures for purchase of goods and services from outside vendors; and

WHEREAS, the District Board of Directors adopted Policy No. 3 - Purchase of Goods and Services from Outside Vendors by Resolution No. 09.23.09.01 “Exhibit A”; and

WHEREAS, the District wishes to repeal and replace Resolution No. 09.23.09.01 Exhibit A and establish a new Purchase of Goods and Services from Outside Vendors Policy to ensure compliance with California and federal law.

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. Resolution No. 09.23.09.01 “Exhibit A” is hereby repealed.

SECTION 2. The Board of Directors hereby adopts the Purchase of Goods and Services from Outside Vendors Policy as incorporated herein, and attached hereto as Exhibit “A.”

SECTION 3. The Secretary to the Board of Directors shall certify to the adoption of this Resolution.

SECTION 4. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2018.

Tom Nelson, Chairperson of the Board of Directors

Attest:

Stefani Phillips, Secretary of the Board of Directors

APPROVED AS TO FORM:

Richard E. Nosky, District Legal Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“PURCHASE OF GOODS AND SERVICES FROM OUTSIDE VENDORS POLICY”

[Attached behind this cover page]

FLORIN RESOURCE CONSERVATION DISTRICT

ADOPTED BY FRCO RESOLUTION NO. 11.14.18.02

PURCHASE OF GOODS AND SERVICES FROM OUTSIDE VENDORS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for the purchase of goods and services. All purchases and contracts for goods and services required by the District shall be made in accordance with this policy.

Section 1. Goods and services shall be acquired as economically as possible to exercise positive financial control over purchases so as to provide the best overall value to the District.

Section 2. Before a contract is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the contract must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's a contract that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the contract shall be taken to the Board unsigned by either party.

Section 3. Each contract entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. Each contract entered into under this policy for an amount exceeding \$3,000 shall be accompanied by a Purchase Order (P.O.) showing the selected vendor, the goods or services to be provided, and the approval date for the award and/or contract.

Section 5. It is against District policy to split into smaller orders the purchase of goods or services for the purpose of evading the competitive bidding provisions of this policy.

Section 6. The General Manager or the Board may reject any or all bids received as part of the bidding process.

Section 7. General procedures and rules for purchasing goods or services is as follows:

- (a) *Petty Cash Purchases (Items Costing \$100 or Less):* For purchases of items costing \$100 or less, a "petty cash voucher" form shall be used to document petty cash purchases when they are made.

(b) *Minor Purchases (Items Costing More than \$100, But Less than \$3,000):* For purchases of items costing more than \$100, but less than \$3,000, vendors may be asked to provide pricing for the District's consideration, and for the District's determination to proceed with the vendor.

(c) *Intermediate Purchases (Items Costing from \$3,000 to \$50,000):* For purchases of items costing from \$3,000 to \$50,000, District staff shall:

- i. Solicit bidding or quotation by written or verbal request (via telephone, fax, e-mail, or mail) from at least three vendors, or justify why such quotations were not possible;
- ii. The District shall select the vendor quoting the lowest responsive, responsible quotation. If another vendor is selected, the reasons for not selecting the vendor with the lowest quote (i.e., quality) should be recorded on the purchase order or otherwise.
- iii. Award of contracts. A purchase order shall be used as the form of contract and must be approved by the General Manager. The General Manager shall review the purchase order terms and conditions, the availability of budgeted funds to cover the purchase order and compliance with proper purchasing procedures. District Legal Counsel shall review the contract if substantive exceptions have been taken to the standard terms and conditions prior to both parties executing the purchase order.
- iv. For contracts valued at more than \$3,000 but less than \$50,000, the General Manager may approve change orders or contract amendments. Change orders more than 10% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the change order and the original contract amount exceeds the General Managers signing authority of \$50,000, the change order must be approved by the Board.

(d) *Major Purchases (Items Costing more than \$50,000):* For purchases of items costing more than \$50,000, District staff shall:

- i. Solicit bidding or quotation by written request (via fax, e-mail, or mail) from at least three vendors;
- ii. The District shall select the lowest responsive, responsible bidder. If two (2) or more bids received are for the same total, amount or unit price and quality, service and delivery being equal, the General Manager or District Board may accept the one it chooses, or accept the lowest good faith offer by negotiation with the tied bidders. All

purchases must be in conformance with the approved District budget;

- iii. Award of contract. A contract shall be used as the form of agreement and the contract must be approved by the Board. District staff shall prepare a contract detailing the selected vendor and the goods or services to be provided. The contract shall be signed by the other party. District Legal Counsel shall review the contract if the other party takes any exceptions to the standard terms and conditions of the contract. District staff shall prepare a staff report that identifies the availability of budgeted funds for the purchase, and staff shall take the contract to the Board for approval authorizing the General Manager to execute the contract. Board approval may be by either adoption of a resolution or approval of a motion;
- iv. After Board approval, District staff shall complete the execution of the contract by having the General Manager sign the contract and accompanied by a purchase order.
- v. For contracts valued more than \$50,000, the General Manager may approve change orders. All change orders that exceed 10% of the original contract must be approved by the Board.

Section 8. Sole Source Procurement:

(a) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:

- i. Only one known source exists for supplies or services as determined by documented research; or
- ii. No other reasonable alternative source exists that meets the Districts requirements; or
- iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.);

(b) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for purchases up to \$50,000, or the Board for purchases costing more than \$50,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the vendor as the only known source;

- iii. A description of the marketplace to include distributors, dealers, resellers, etc.;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 9. Emergency Purchases

- (a) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;
- (b) An emergency purchase must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency purchase is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.
- (c) For emergency purchase exceeding \$50,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval.

RESOLUTION NO. 11.14.18.03

**A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT
BOARD OF DIRECTORS ESTABLISHING A NEW PROFESSIONAL AND
CONSULTANT SERVICES AGREEMENTS POLICY**

WHEREAS, the Florin Resource Conservation District (“District”) is required by California law to adopt purchasing policies and procedures; and

WHEREAS, California Public Resources Code, Division 9 set forth the authority and process for establishing purchasing policies and procedures; and

WHEREAS, an appropriate procurement policy will assist the District by documenting the proposal requirements and procedures for professional and consultant services agreements; and

WHEREAS, the District wishes to establish a new Professional and Consultant Services Agreements Policy to ensure compliance with California and federal law.

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. The Board of Directors hereby adopts the Professional and Consultant Services Agreements Policy as incorporated herein, and attached hereto as Exhibit “A.”

SECTION 2. The Secretary to the Board of Directors shall certify to the adoption of this Resolution.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2018.

Tom Nelson, Chairperson of the Board of Directors

Attest:

Stefani Phillips, Secretary of the Board of Directors

APPROVED AS TO FORM:

Richard E. Nosky, District Legal Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“PROFESSIONAL AND CONSULTANT SERVICES AGREEMENTS POLICY”

[Attached behind this cover page]

FLORIN RESOURCE CONSERVATION DISTRICT

ADOPTED BY FRCD RESOLUTION NO. 11.14.18.03

PROFESSIONAL AND CONSULTANT SERVICES AGREEMENTS POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for professional and consultant services agreements. All professional and consultant services required by the District shall be made in accordance with this policy.

Section 1. Professional and consultant services shall be procured as economically as possible commensurate with quality needed as to provide the best overall value to the District.

Section 2. Before an agreement is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the agreement must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's an agreement that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the agreement shall be taken to the Board unsigned by either party.

Section 3. Each agreement entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. It is against District policy to split into smaller orders the procurement of professional or consulting services for the purpose of evading the provisions of this policy.

Section 5. The General Manager or the Board may reject any or all proposals received as part of the proposal process.

Section 6. General procedures and rules for procuring professional and consulting services are as follows:

Selection for professional and consultant services, defined as the services of a private architect, landscape architect, engineer, doctor, environmental scientist, investment advisor, financial, land surveying, or construction project management firm, or other similar professional services as defined in Section 37103 of the California Government Code, shall be based on best qualified and most responsible proposer, as determined by the District. Selected proposer may not necessarily be the lowest priced proposal.

(a) *Professional and Consultant Services (Costing \$3,000 or less)*: For professional and consultant services costing \$3,000 or less, professionals will be asked to submit a letter proposal. The District shall select those professionals that demonstrate the highest competence and professional qualifications necessary for the satisfactory performance of the services required.

(b) *Professional and Consultant Services (Costing \$3,001 to \$50,000)*: For professional and consultant services costing \$3,001 to \$50,000, District staff shall:

- i. Informally solicit proposals by written or verbal request (via telephone, fax, e-mail, or mail) from at least three firms, or justify why such quotations were not possible or justified;
- ii. District management staff shall review all responsive proposals and evaluate the proposals in order to determine which proposer best meets the District's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services. The successful proposer may not necessarily have the lowest priced proposal. If another firm is selected, the reasons for not selecting the firm with the lowest priced proposal (i.e., quality) shall be recorded. The District reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process;
- iii. Award of agreement. A professional services agreement shall be used as the form of contract and must be approved by the General Manager. Prior to the General Manager approving the professional services agreement, District Legal Counsel shall review the agreement and provide approval as to the agreement's form. After legal counsel review, the General Manager shall review the professional services agreement, the availability of budgeted funds to cover the agreement, proper account coding and compliance with proper contracting procedures;
- iv. A multiple year agreement with a total cost that is projected to cost \$3,001 to \$50,000 over the term of the agreement shall be governed by the same procedures above.
- v. For contracts valued at more than \$3,000 but less than \$50,000, the General Manager may approve change orders. Change orders more than 10% of the original contract must be reported to the Board at the next regular Board meeting. In the event that the change order and the original contract amount exceeds the General Managers signing authority of \$50,000, the change order must be approved by the Board.

(c) *Professional and Consultant Services (Costing More than \$50,000)*: For professional and consultant services costing more than \$50,000, District staff shall:

- i. Formally solicit proposals by using a Request for Proposal. The request for proposal shall include a general description of the services to be procured, the specific qualification requirements, a copy of the District's professional services agreement, and the time and place for submission of proposals. To the extent feasible, a notice inviting proposals shall be distributed to at least three (3) firms, unless the General Manager determines there is sufficient sole-source justification;
- ii. Utilizing a Professional Services Review Panel comprised of members of District management staff and board members, all responsive proposals shall be reviewed and evaluated in order to determine which proposer best meets the District's needs by demonstrating the competence and professional qualifications necessary for the satisfactory performance of the required services. The successful proposer may not necessarily have the lowest priced proposal. If another firm is selected, the reasons for not selecting the firm with the lowest priced proposal (i.e., quality) shall be recorded. The criteria by which the District shall evaluate proposals shall be set forth in the request for proposals. The District reserves the right to reject any and all proposals, or waive any irregularities in any proposal or the proposal process;
- iii. Award of agreement. A professional services agreement shall be used as the form of contract. Prior to the General Manager approving the professional services agreement, District Legal Counsel shall review the agreement and provide approval as to the agreement's form. After legal counsel review, the General Manager shall review the professional services agreement, the availability of budgeted funds to cover the agreement, proper account coding and compliance with proper contracting procedures. District staff shall prepare a staff report that identifies the availability of budgeted funds for the professional services, and staff shall take the professional services agreement to the Board for approval authorizing the General Manager to execute the professional services agreement. Board approval may be by either adoption of a resolution or approval of a motion; and
- iv. A multiple year agreement with a total cost that is projected to cost more than \$50,000 over the term of the agreement shall be governed by the same procedures above.

- i. For contracts valued more than \$50,000, the General Manager may approve change orders. All change orders that exceed 10% of the original contract must be approved by the Board.

Section 7. Sole Source Procurement:

(a) A sole source procurement is defined as any contract entered into without a competitive process, based on a justification that:

- i. Only one known source exists for supplies or services as determined by documented research; or
- ii. No other reasonable alternative source exists that meets the Districts requirements; or
- iii. Only one source meets the business needs of the District (e.g., compatibility, unique feature to meet District's business need, etc.);

(b) When the service can be obtained from only one (1) source which has been reviewed and approved in writing by the General Manager for procurements up to \$50,000, or the Board for purchases costing more than \$50,000 or when in the judgment of the General Manager or Board, that compliance with the procurement procedures are not in the best interest of the District, the procurement must be accompanied by written justification. The justification may require the requestor to provide information such as:

- i. A description of the unique features that prohibit competition;
- ii. Documented research conducted to verify the professional or consultant as the only known source;
- iii. A description of the marketplace to include professional service providers;
- iv. Known compatibility issues; and/or
- v. Timing issues.

Section 8. Emergency Procurements

(a) In an emergency, defined as a situation where there is an immediate threat to life or property or where there is, or would be, a disruption of a vital public service;

(b) An emergency procurement must be approved verbally by the General Manager or, if he/she is not available, by other management personnel. When an emergency purchase is made, the purchase order for the transaction shall be prepared and approved the next working day (according to the procedures described above). Any such purchase order shall include documentation certifying the emergency.

(d) For emergency procurement exceeding \$50,000, a full accounting of such emergency expenditures by the General Manager will be reported to the Board at the next regular board meeting and the budget and/or reserve adjustment recommendation of the General Manager will be presented to the Board for discussion and approval

RESOLUTION NO. 11.14.18.04

**A RESOLUTION OF THE FLORIN RESOURCE CONSERVATION DISTRICT
BOARD OF DIRECTORS ESTABLISHING A NEW ACQUISITION
OF REAL PROPERTY POLICY**

WHEREAS, the Florin Resource Conservation District (“District”) is required by California law to adopt purchasing policies and procedures; and

WHEREAS, California Public Resources Code, Division 9 set forth the authority and process for establishing purchasing policies and procedures; and

WHEREAS, an appropriate procurement policy will assist the District by documenting the requirements and procedures for the acquisition of real property; and

WHEREAS, the District wishes to establish a new Acquisition of Real Property Policy to ensure compliance with California and federal law.

NOW THEREFORE, THE FLORIN RESOURCE CONSERVATION DISTRICT BOARD OF DIRECTORS DOES HEREBY RESOLVE:

SECTION 1. The Board of Directors hereby adopts the Acquisition of Real Property Policy as incorporated herein, and attached hereto as Exhibit “A.”

SECTION 2. The Secretary to the Board of Directors shall certify to the adoption of this Resolution.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

PASSED, APPROVED AND ADOPTED this ____ day of _____, 2018.

Tom Nelson, Chairperson of the Board of Directors

Attest:

Stefani Phillips, Secretary of the Board of Directors

APPROVED AS TO FORM:

Richard E. Nosky, District Legal Counsel

EXHIBIT “A”

FLORIN RESOURCE CONSERVATION DISTRICT

“ACQUISITION OF REAL PROPERTY POLICY”

[Attached behind this cover page]

FLORIN RESOURCE CONSERVATION DISTRICT

ADOPTED BY FRCD RESOLUTION NO. 11.14.18.04

ACQUISITION OF REAL PROPERTY POLICY

Purpose of the Policy: The purpose of this policy is to establish the Florin Resource Conservation District (District) officers' authority and procedural requirements for the acquisition of Real Property. All acquisition of real property required by the District shall be made in accordance with this policy.

Section 1. Real Property shall be acquired as economically as possible commensurate with quality needed as to provide the best overall value to the District.

Section 2. Before a contract is signed by any District representative or is brought to the District Board of Directors (Board) as an agenda item, the contract must:

- (1) Include appropriate insurance and indemnification provisions reviewed by District Legal Counsel;
- (2) Be approved as to form by District Legal Counsel;
- (3) Be approved as to budget availability and purchasing procedural compliance by the General Manager or Finance Manager; and
- (4) Be signed by the other party unless it's a contract that must go before the Board and requires the other party to acquire payment and/or performance bonds. In this case, the contract shall be taken to the Board unsigned by either party.

Section 3. Each contract entered into under the policy shall be filed with the Finance Supervisor and shall be retained in accordance with the District's adopted retention policy.

Section 4. The procedures and rules for the acquisition of real property are as follows:

(a) Purchase

The following guidelines apply to the acquisition of real property, whether in the form of fee title, rights-of-way or easements; and whether purchased with District funds or acquired via grants, donations, gifts, dedications or property exchanges. Prior to the acquisition of real property, a professional title search shall be completed.

1) Purchase with District Funds

- i. Property purchase recommendations should normally be presented as part of the District's financial plan process via the Capital Improvement Program (CIP) and Annual Budget. However, as opportunities arise, the Board may consider property acquisitions at any time;

- ii. Acquisition proposals should be consistent with adopted plans and policies, including the adopted CIP;
- iii. Acquisition proposals must be reviewed by the General Manager who first shall evaluate the acquisition terms and conditions and compliance with proper acquisition procedures. District Legal Counsel shall review and approve, as to form, the acquisition terms and conditions;
- iv. The Board must authorize negotiations and approve the acquisition of any real property;
- v. Depending on the complexity of the transaction, market conditions and other circumstances at the time, the District may choose to be represented by a broker or other third-party professionals in acquiring real property. These will be selected in accordance with the District's *Professional and Consultant Services Agreement Policy*.

2) Acquisition Via Grants, Donations, Gifts, Dedications and Property Exchanges

- i. Acquisition recommendations that will be fully or partially funded from grants, donations, gifts, dedications or property exchanges shall follow, at a minimum, the same guidelines as acquisitions financed from District funds. Where grant fund requirements for property acquisition are different from these guidelines, the requirement with the greater public disclosure shall apply;
- ii. Acquisition proposals must be reviewed by the General Manager who first shall evaluate the acquisition terms and conditions in compliance with proper acquisition procedures. District Legal Counsel shall review and approve, as to form, the acquisition terms and conditions;
- iii. Board approval of acquisitions via grants shall be required in accordance with the terms of the grant;
- iv. In considering property donations and gifts, the District shall evaluate the short and long-term maintenance and operating costs, as well as any one-time costs that might be necessary to rehabilitate properties for public use or meet building code requirements.

(b) **Rents and Leases**

The following guidelines apply to real property rents and leases where the District will be the tenant. This need may arise for short-term uses, such as rental of interim space during construction.

- 1) These should normally be included as part of the District's Strategic Plan and Budgeting process. However, as needed, the District may consider renting or leasing property as required to meet the District's operational needs at any time;
- 2) Rents and Lease Agreements must be reviewed by the General Manager who first shall evaluate the agreement terms and conditions and compliance with proper leasing procedures. District Legal Counsel shall review and approve, as to form, the lease or rent terms and conditions;
- 3) The Board must authorize negotiations and approve the rent or lease of any real property;
- 4) Depending on the complexity of the transaction, market conditions and other circumstances at the time, the District may choose to be represented by a broker or other third-party professionals in renting or leasing real property. These will be selected in accordance with the District's *Professional and Consultant Services Agreement Policy*.