

ORDINANCE NO. 8/2017

**AN ORDINANCE OF THE BOARD OF TRUSTEES
OF THE ORANGE COUNTY MOSQUITO AND
VECTOR CONTROL DISTRICT REVISING ITS
PURCHASING AND PROCUREMENT
PROCEDURES**

WHEREAS, the District has adopted a purchasing and procurement ordinance, which is set forth in Chapter 4.01 of the Orange County Mosquito and Vector Control District Operations Code at Title 4 thereof; and

WHEREAS, the Board does hereby desire to make changes to those procedures to allow delegation of the purchasing agent duties, to make changes in the bidding procedures, to allow the use of other government bidding opportunities such as "piggy-backing", to clarify when professional services should be bid, to require the use of purchase orders, to increase the District Manager's authority to enter into contracts, to specify that procedures are to be developed for the use of credit cards by administrative regulation, and to make changes to the petty cash and surplus property provisions;

NOW, THEREFORE, the Board of Directors of the Orange County Mosquito and Vector Control District does hereby ORDAIN as follows:

Section 1. That Title 4 of the Districts Operations Code is hereby amended to read:

Title 4

Purchasing

Chapter 4.01– Purchasing

4.01.010. Establishment of Purchasing system; Purchasing Agent; powers and duties.

A purchasing system is adopted in order to establish efficient procedures for purchasing or procurement at the lowest possible cost commensurate with the level of quality required, to exercise financial control over the purchase or procurement, and to clearly define authority for the purchasing function.

The District Manager is the designated Purchasing Agent. The Purchasing Agent may delegate all or a portion of the purchasing duties to any District staff member provided the Purchase Order is signed by the District Manager. The Purchasing Agent shall have the authority to:

- i. Purchase or contract for supplies, services, equipment and other items required by the District, in accordance with purchasing procedures outlined in this policy;
- ii. Negotiate and recommend execution of contracts;
- iii. Act to produce for the District the necessary quality in supplies, services, equipment and other items at the lowest responsible cost to the District;
- iv. Prepare and recommend to the Board of Trustees revisions and amendments to the purchasing rules;
- v. Establish and maintain such forms as reasonably necessary to the operation of purchasing guidelines;
- vi. Supervise the inspection of all supplies, services, equipment and other items purchased to insure conformance with required specifications;
- vii. Recommend the sale or disposal of all supplies and equipment which cannot be used by the District, or which are no longer suitable for District use;
- viii. Maintain a bidder's list and other records necessary for the efficient acquisition of good and services.

The purchasing Agent shall, within the limits provided in the Budget approved by the Board of Trustees and except as hereinafter provided, purchase for the District all materials, supplies, furnishing, equipment, livestock, poultry, and other personal property of whatever kind and nature, and except as hereinafter provided. No purchase of personal property by any person other than the Purchasing Agent shall be binding upon the District or constitute a lawful charge against any District funds.

4.01.020. Bidding Regulations.

Less than \$2,500: Bidding may be dispensed with when the item or service purchased is less than \$2,500 in value.

\$2,500 - \$30,000: When the item or service to be purchased costs between \$2,500 and \$30,000, informal bidding shall be required. All bids should be in writing, whenever possible, and may be obtained via written requests for quotations or proposals, telephone survey of prices, via the internet, or by such other efforts directed towards obtaining at least three bids. A minimum of two bids shall be required. The bid shall be awarded by the Purchasing Agent to the lowest responsible bidder unless the Purchasing Agent determines that the public interest requires a different action. The Board of Trustees authorizes the Purchasing Agent to purchase items described above, not to exceed \$30,000, without formal bidding, provided such amounts have been properly budgeted.

Above \$30,000: When the item or service to be purchased costs more than \$30,000, formal bidding shall be required. Such bidding process shall require that a notice be posted at the District office at least ten (10) days prior to the bid opening

and that formal requests for bids be solicited either by newspaper publication, trade journal publication, or by use of a bid service. Sealed bids shall be solicited by the Purchasing Agent and received and opened by the Clerk of the Board. Formal bids shall be awarded by the Board to the lowest responsible bidder based on the Purchasing Agent's analysis and recommendations of the bids and bidders, unless the Board makes a determination that it would be in the public's best interest to do otherwise, which determination will be made in the record.

Bids shall be awarded with consideration of the following criteria: a) ability, capacity and skill of the bidder to perform the contract or provide the service required; b) ability of the bidder to perform the contract or provide the service required promptly or within the time specified; c) reputation and experience of the bidder; d) previous experience of the District with the bidder; e) previous compliance by the bidder with federal, state and local laws and ordinances; f) sufficiency of financial resources of the bidder; g) quality, availability and adaptability of the supplies or contractual services to the particular use required; h) ability of the bidder to provide future maintenance and service of the use of the subject of the contract; i) the number and scope of the conditions attached to the bid

If the job is related to construction, demolition, alteration or maintenance of a "Public Work", other laws may apply, including but not limited to requirements for registration and the payment of prevailing wages.

Documents related to successful and unsuccessful bids shall be retained in accordance with adopted records retention schedules.

It is unlawful to split or separate into smaller orders all purchases governed by this chapter of the Operations Code for purposes of evading the competitive bidding provisions of this character, unless doing so is in the District's best interests.

4.01.030. General exceptions to bidding requirements.

Bidding is not required when:

(1) An emergency situation exists, (2) When the services of specialized professionals are required, such as scientists, engineers, attorneys, or accountants, (3) When the item or services can only be obtained from one vendor, (4) When engaging in the bidding process would otherwise be a meaningless exercise, (5) When purchases are made from another government agency or when procurement is pursuant to a competitively bid contract with another government agency or California Multiple Award Schedule (CMAS), or (6) When the public interest may otherwise require that bidding be dispensed with provided that the facts constituting the basis for the exception shall be documented by the Board or District Manager, as appropriate, and retained as part of the District's official records for at least two years.

4.01.040. Purchasing Agent's authority to analyze, inspect and test. The Purchasing Agent shall first review all bids received to determine if they are responsive to the bid request or notice inviting bids. The Purchasing Agent is authorized to waive minor deviations and irregularities in the bids. The Purchasing Agent shall also have the authority to inspect and test products intended to be used in any bid for quality and fitness for its intended purpose and may investigate the character and reputation of any bidder to determine that they are responsible. The Purchasing Agent's determination and recommendation of the lowest responsible bidder shall be based on his analysis of these factors.

4.01.050. District's options. The contract shall be awarded to the lowest responsible bidder, except as otherwise provided. If two or more bids are the same, the District may accept any such bid. In its sole discretion, the District may reject any and all bids received and it may readvertise for bids or have District forces perform such work.

4.01.060. Authority to engage independent contractors. The Purchasing Agent may engage independent contractors to perform services, with or without the furnishing of materials, within the limits provided by law, provided that prospective bidders are given full opportunity to submit their qualifications and estimates of cost to render the desired service.

4.01.070. Professional Services. For professional services, when the service to be purchased costs between \$15,000 and \$30,000, a Request for Proposal process should be used to the extent possible as time and circumstances permit. A Request for Proposal process must be used for professional services contracts more than \$30,000, unless the Board determines that extenuating circumstances dictate the RFP process would provide no additional or direct benefit to the District.

A minimum of two proposals shall be obtained whenever possible. Vendor selection shall be based upon the most advantageous proposal, and, if a Request for Proposals process is utilized, in accordance with the criteria set forth in the Request for Proposals. The Purchasing Agent is authorized to select the vendor for professional services when the service to be purchased costs up to \$30,000. The Board of Trustees will select the vendor for professional services when the service to be purchased costs more than \$30,000. Proposals for continuing professional series shall be solicited periodically.

4.01.080. Emergency Purchasing. Emergency purchases are only those purchases that are immediately necessary for the continued operation of the District or are necessary for the preservation of life or property. Emergency purchases may be made by the Purchasing Agent, or by the Director of Operations when the Purchasing Agent is not immediately available. Emergency purchases up to \$30,000 made by the Director of Operations shall be subsequently approved by the Purchasing Agent. All emergency purchases that would otherwise require

formal bidding procedures, and emergency purchases up to \$30,000 made by the Director of Operations which were not approved by the Purchasing Agent, shall be submitted to the Board of Trustees for ratification at the next regular Board meeting after the purchase is authorized.

4.01.090. Purchase Orders or Contracts Required. Purchase orders and/or contracts shall be used to document and support all purchases of \$2,500 or greater, except for the following types of purchases for which such documentation may not be accepted or practical: fuel purchases, travel and meeting expenses, dues, subscriptions, publications, utility payments, and any other items as may be determined and approved by the Purchasing Agent.

Chapter 4.02 – Authority to enter contracts and sign documents

4.02.010. Purchasing Agent's authority to enter into contracts. The Purchasing Agent is hereby authorized to a) enter into contracts or amendments on the District's behalf where the total dollar value of the transaction or series of related transactions is \$30,000 or less; or b) prepay amounts due on contracts greater than \$30,000 provided the prior Board approval is obtained through a minute item at a Board meeting.

4.02.020. Authority to sign. The District Manager shall have the authority to sign all contracts, whether the contract was approved by the Board of Trustees or by the Purchasing Agent.

Chapter 4.03 – Credit Cards

4.03.010. Use of credit cards. The District Manager shall establish regulations for the use of credit cards within his contracting limits and shall authorize limited use of such cards by other employees as he shall determine appropriate. The District Manager shall have a credit card limit of \$10,000 total outstanding indebtedness at any one time. The District Manager shall establish lesser limits for his subordinates' use of credit cards, and said policy shall be provided to the Board. Credit cards are to be used for incidental purchases, fuel for vehicles, small supplies, and online purchases where a credit card may be the only acceptable method of payment. In addition, while traveling, credit cards may be used for transportation, hotel, meal and incidentals when applicable and authorized by the District Manager. Credit card purchases shall not be made to evade the competitive bidding provision of this chapter.

All credit cards, except those used in vehicles for fuel purchases, shall have the authorized individual's name included on the card, and all cards with an individual's name included shall only be used by that individual. Purchases of fuel with fleet fuel cards or credit cards shall require the purchaser to record the odometer reading of the District vehicle at the time of purchase.

Chapter 4.04 – Petty Cash

4.04.010. Revolving fund established. The District shall maintain a Petty Cash (Revolving) Fund in accordance with section 2078 of the State Health and Safety Code and Government Code section 53950 *et seq.*, in an amount not to exceed \$10,000. The petty cash fund is necessary for small, incidental expenditures that would be impractical to process through the purchase order system. The Purchasing Agent, or his designee, is authorized to make disbursements from petty cash.

4.04.020. Accounting. The Purchasing Agent, and any other person delegated those duties, shall file such bond as may be required with the Board of Trustees and shall thereafter account for such money with receipts for all expenses greater than one dollar. Such bond may be covered through the District's insurance policy. Upon request, the Purchasing Agent shall give an account of the petty cash fund to the Board of Trustees.

4.04.030. Statutory limits. No single item costing more than \$2,500 may be purchased using a petty cash check. A maximum of \$500 will be maintained in cash at the District at any one time.

Chapter 4.05 – Disposition of surplus property

4.05.010. Inventory of surplus property. At such times as determined by the Purchasing Agent, reports shall be prepared showing all supplies and equipment which are no longer used or which have become obsolete or worn out.

4.05.020. Sales of Surplus property. The Purchasing Agent may sell or exchange any personal property belonging to the District and found by the Board not to be required for public use, or he may when purchasing personal property accept advantageous trade-in allowance for such property not further required for public use. For items with an estimated fair market value in excess of \$3,000, the Board of Trustees shall approve of the disposition. Auction houses or other methods may be used.

4.05.030. Employees not to purchase/accept. Employees shall not be allowed to buy any surplus property of the District to prevent conflict of interest issues from arising. In special circumstances, an employee may be authorized by the Board to accept and/or purchase surplus property provided findings are made that the transfer is in the public interest.

4.05.040. Donation of property. Pursuant to Health and Safety Code section 2041, the District may donate any surplus property to any public agency or nonprofit corporation.

Chapter 4.06 – Warrant approvals

4.06.010. Warrant approval process. In accordance with Government Code section 53910 *et seq.*, the following provisions apply to the payment of warrants. The District Manager is authorized to approve warrants for (1) payroll and routine payments within budgeted amounts, and (2) fixed assets within budgeted amounts, provided that such fixed assets cost \$30,000 or less or are within budgeted amounts. (“Fixed Assets” are tangible property costing \$3,000 or more per unit, including tax, delivery, and installation, with a useful life expectancy exceeding one year.) The District Manager shall be authorized to direct the custodian of such money to pay said amounts. Such direction shall be in writing and shall be signed by the District Manager in said capacity and the custodian may rely upon such direction in the payment of warrants. Notwithstanding said authority, no prepayments in excess of \$30,000 shall be made unless prior authorization is provided by the Board through a minute item. The District Manager may authorize the affixing of a stamp designating that such warrants are appropriate and within budgeted amounts, and when such stamp is utilized, the custodian may rely thereon in the payment of warrants. The Board of Trustees shall thereafter be presented with a warrant register at a subsequent Board meeting showing such warrants.

Chapter 4.07 – Miscellaneous

4.07.010. Procedural regulations. The Purchasing Agent shall issue procedural regulations to amplify this resolution.

4.07.020. Failure to comply. Any transaction failing to comply with this Title in any respect is voidable at the discretion of the Board of Trustees.

4.07.030. Conflicting resolution and policies. These provisions shall supersede all previous resolutions and policies pertaining to financial matters.”

Section 2. Should any part, clause or section of this Ordinance be declared by any Court of competent jurisdiction to be invalid, the remaining provisions of this Ordinance shall nevertheless be and remain in full force and effect and the Board of Trustees of the Orange County Mosquito and Vector Control District, hereby declares that each and every section, clause, provision or part of this Ordinance would have been adopted and made a part of this Ordinance without the adoption of any portion thereof and that the invalidity of any part or provision hereof shall not in any way affect the validity or enforcement of the remaining provisions of this Ordinance that may stand on their own.

Section 3. The District Clerk shall cause this ordinance or a summary thereof to be published in a newspaper of general circulation printed and published in the District according to law and it shall go into effect 30 days thereafter.

PASSED, APPROVED, and ADOPTED by the Board of Trustees of the Orange County Mosquito and Vector Control District at its regular meeting thereof held on the 19th Day of January 2017, at 13001 Garden Grove Blvd., Garden Grove, California, 92843.



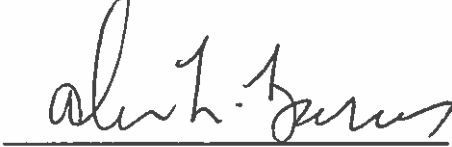
BARBARA KOCERMA, President

I hereby certify that the foregoing Resolution was duly adopted by the Board of Trustees of the Orange County Mosquito and Vector Control District at a regularly scheduled meeting, held on January 19, 2017



CHEYL BROTHERS, Secretary

APPROVED AS TO FORM:



Alan R. Burns, District Counsel