

South Tahoe Public Utility District

Maintenance and Non-Public Works Purchasing Policy

All employees are required to follow this policy for Maintenance and non-Public Works Projects of the South Tahoe Public Utility District (Reference Exhibit A for Flowchart). All costs should be considered including labor, materials, sales tax, freight, and installation in defining "purchase" price for comparison with the dollar thresholds indicated in this policy.

Maintenance as defined in Public Contract Code 20656 is the following:

- ❖ Routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned or publicly operated facility for its intended purposes in a safe and continually usable condition for which it was designed, improved constructed, altered or repaired. "Facility" means any plant, building, structure, ground facility, utility system, or real property.
- ❖ This definition of "maintenance" expressly includes, but is not limited to carpentry, electrical, plumbing, glazing, and other craft work designed consistent with the definition set forth above to preserve the facility on a safe, efficient, and continually usable condition for which it was intended, including repairs, cleaning, and other operations on machinery and other equipment permanently attached to the building or realty as fixtures.
- ❖ This definition does not include, among other types of work, janitorial or custodial services and protection of the sort provided by guards or other security forces.
- ❖ It is the intent of the Legislature that this definition does not include painting or decorating other than touchup.

Non-Public Works Projects are defined as:

- ❖ Procurement of contracting for supplies and/or services not solicited as Public Works Construction Projects (Reference Public Works Projects Purchasing Policy for a detailed description).

It is the intent of this policy to ensure that District purchases are cost effective, encourage competition, and follow all applicable laws. Nothing in this policy shall preclude the District from using its own labor resources and supplies to complete any project for ordinary upkeep, maintenance, or repairs.

GENERAL REQUIREMENTS

Public Contract Code 20201 requires bidding on maintenance contracts whose value exceeds \$15,000 for Public Utility Districts.

Public Contract Code 20207.7 requires bidding on articles, or goods for which a contract does not exist whose value exceeds \$10,000 for Public Utility Districts.

Orders for projects over \$1000 shall require the payment of prevailing wages as mandated by California Law. Payments for projects exceeding \$5000, may require a 5% retention unless the project is deemed to be “substantially complex”.

REQUIREMENTS FOR PROFESSIONAL SERVICES

For architectural, landscape architectural, engineering, environmental, land surveying, construction management and other professional services which are similar and require professional or expert judgment; selection will be based upon demonstrated competence and on qualifications for the types of services to be performed, provided at fair and reasonable prices. Contracting procedures for professional services shall also assure maximum participation of small business firms. Construction project management firms must provide evidence of their expertise and experience. Firms supplying architectural design services exceeding \$10,000 must indemnify and hold harmless the District against any and all liability.

ALL INVENTORY PURCHASES

All purchases of “inventory” items require use of District’s Inventory ReOrder Batch System.

LOCAL PURCHASES \$0.00 - \$1,000.00

A purchase order could be input, or an invoice or receipt which has been approved by the appropriate supervisor and indicates budgetary account number/s shall be given to Accounts Payable.

Local purchases are defined as those purchases made within the District service boundaries or the Stateline and Kingsbury areas. Any purchases outside these defined areas are not considered local purchases.

OTHER PURCHASES \$0.00 - \$5,000.00

A purchase order is required for all non-local purchases and for all local purchases over \$1000. A purchase order which has the applicable budgeted funds available to it, shall be input and approved by the authorized Supervisor or Manager prior to the order being placed.

Exceptions: The Purchasing Agent at his/her discretion may waive the use of a purchase order based on the following criteria:

1. Price will not exceed \$1000.00
2. PO not required by vendor
3. Completed purchase

PURCHASES OF \$5,000.01 - \$10,000.00

A purchase order is required. An order shall be approved by either the General Manager, Assistant General Manager or the Chief Financial Officer prior to the order being placed. In the absence of the General Manager, Assistant General Manager or Chief Financial Officer; a member of the Board of Directors' Finance Committee should be contacted for approval of any purchases that are considered an emergency or when the health and welfare of the community is involved.

PURCHASES OF \$10,000.01 - \$15,000.00

District Staff will obtain 3 competitive quotes (if available) and approval by the General Manager (and by the CFO for any unbudgeted purchase), before the order is placed with the company providing the quote in the best interest of the District.

PURCHASES OF \$15,000.01 - \$75,000.00

District staff will advertise for competitive bids or solicit proposals and follow procedures as outlined in the California Law Codes; and all purchases shall be approved by the General Manager. Participating in or matching other government or purchasing coalition contracts, which have recently been competitively awarded, qualifies as having met the formal public competitive requirement.

The Supervisor or Manager will submit to the Purchasing Agent completed specifications for item/s to be bid. Upon request, the Purchasing Agent will assist the Supervisor or Manager in developing specifications.

The Purchasing Agent will review all Requests for Proposal (RFP) or other solicitation documents before publication and conduct all bidding procedures except for those documents and procedures completed by the Engineering Division or outside consulting firms.

Those bids opened by the Purchasing Agent will be evaluated with the assistance of the Supervisor and/or Manager, prior to submitting the bid results to the General Manager for consideration of award.

Notes: For every complete maintenance and non-public works projects, consider the costs of materials, supplies and labor together when computing whether the project exceeds \$15,000. California Code requires those projects to be let to the lowest responsible bidder (unless completed by District resources as mentioned in the beginning of this policy).

And: Any changes which increase the cost of a formally bid project must also be approved by the Board of Directors; and contract changes for those projects must be approved by a four-fifth vote of the Board of Directors.

PURCHASES EXCEEDING \$75,000.00

Procedures are the same as those in the previous section but required approvals and awards must be made by the Board of Directors.

EXEMPTED FROM FORMAL COMPETITIVE SOLICITATION

1. Purchase of services (excluding new construction, alteration, maintenance, or repair services), including special services or advice in financial, economic, accounting, engineering, legal or administrative matters (if the person hired is specially trained and experienced and competent to perform those services), and including representatives to aid or prevent the passage of legislation beneficial or detrimental to the District. Also, if service is a substantial or critical portion of an article purchase, other methods of solicitation may be considered including but not limited to bid award based upon best value or solicitations which consider other cost, quality or service factors.
2. Purchase of commodities or services of (utilities) light, water, power, heat, transportation, telephone service or other means of communication, or means for the disposition of garbage, sewage, or refuse matter.
3. When contracting with suppliers competitively awarded State of California price schedules, commodity contracts, master agreements, cooperative agreements, and other types of agreements that leverage the state's buying power (for goods, information technology, and services).

EXCEPTIONS TO FORMAL COMPETITIVE SOLICITATION EXCLUDING MAINTENANCE

In any of the following instances, the requirements of formal competitive solicitation may be dispensed with if decided by the General Manager or the Board of Directors as per their applicable approval level:

(EXCEPTIONS)

1. When the item (merchandise or service) can be obtained from only one source.
2. When the item is required or is economically preferable to match or be compatible with other furnishings, materials or equipment presently on hand and the purchase is made from the manufacturer or supplier who supplied other such furnishings, materials or equipment.
3. When the item has been standardized by the District and can be purchased from only one source or is purchased from the original manufacturer or supplier.

4. When the Board of Directors or General Manager determines that due to special circumstances, it is in the District's best interest to purchase an item or enter into a contract without compliance with the bidding procedures i.e. competitive proposals would not be useful, would not produce an advantage or would be undesirable, impractical, or impossible. Special circumstances include, but are not limited to, maintenance and inspection services and other situations where obtaining qualified bids is difficult, when there is a limited number of qualified bidders, and/or where the type of services to be performed precludes the District from obtaining multiple bids.

EXCEPTIONS TO FORMAL COMPETITIVE SOLICITATION

1. When all bids are considered unsatisfactory or excessive and are rejected by the Board of Directors by a four-fifths vote, the District may do any necessary work and make necessary expenditures in lieu of contracting for the proposed work.
2. When the General Manager and/or Board of Directors (by a four-fifths vote) declares an emergency, after finding that conditions will not permit a delay resulting from a competitive solicitation for bids. All actions thereafter taken will be reported to the Board until the emergency action is terminated (at the earliest possible date that conditions warrant).

Nothing in this policy shall prevent the General Manager of the District from ordering any action necessary and appropriate to respond to sudden, unexpected occurrences that pose a clear and imminent danger requiring immediate action to prevent, or mitigate the loss or impairment of life, health, property and essential public services.

If any portion of this policy is in conflict with rules, regulations or legislation having authority over the South Tahoe Public Utility District, said rules, regulations or legislation shall prevail.

EXCEPTIONS TO PURCHASE ORDERS To maintain efficiency, a requisition or purchase order is not required for:

- Radio/Newspaper/Media Publication or Advertising commitments \$1000 or less
- Fees from the District's General Counsel
- Customer Refunds (Requires a completed Refund Request form)
- Debt Service Payments
- Freight Charges
- Bulk Fuels
- Insurance Premiums, Insurance Claims, and Other Non-Public-Work Claim Payments
- Laboratory Testing
- Continuing Rent or Lease/Purchase Payments
- Tax, Mitigation, Permit, Operating or other Government Fees
- Payroll Tax, Deduction or Benefit Payments
- Board Authorized Real Property Purchases
- Purchasing Card Purchases
- On-Site Repair or Service Jobs \$1000 or less

Standard Deliveries of Road Base or Asphalt Materials
Administered Safety Supplies (i.e. safety shoes, first aid supplies)
Purchases from On-Site Sell & Deliver vendors \$1000 or less
Software User Licenses and Service Contracts \$1000 or less annually, and renewals of user licenses and service contracts
Subscriptions (Employee name or title should appear on all mailing labels)
Travel Expenses (Requires a Request for Travel Check/s or Business Expense Claim form)
Minor Changes in Uniform/Linen Service (Requires a completed, supervisor-signed service order form)
Utility bills (unless a new service or cancellation of service is requested)
Or Other Authorized Renewals or Continuing Payments

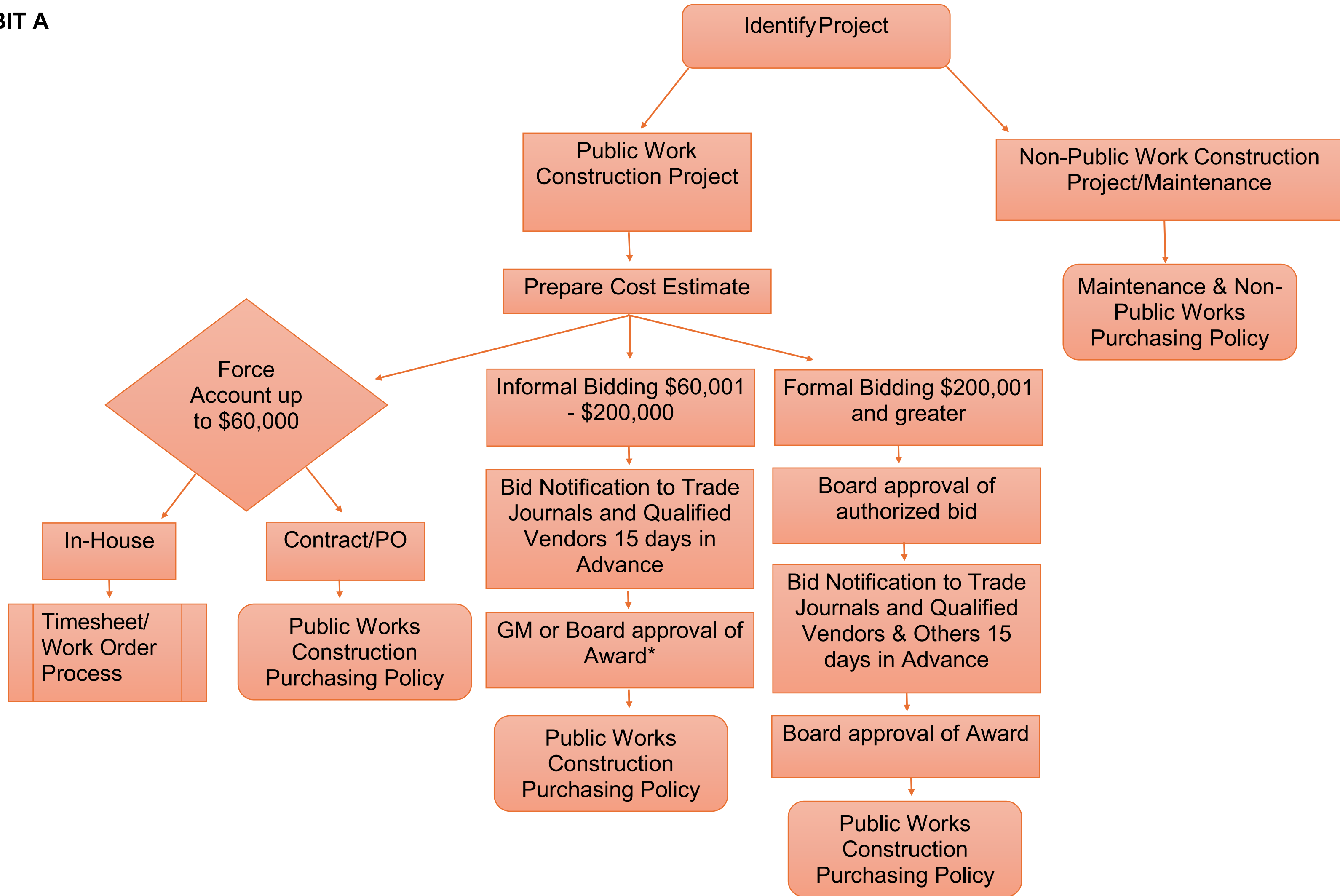
ADDITIONAL CONSIDERATIONS

All purchases of computer hardware and software will be coordinated with the Information Technology Department per the Personal Computer Policy.

The Information Technology Manager is the only employee authorized to receive District checks.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

EXHIBIT A



*General Manager approves awards up to \$75K, Board approves awards greater than \$75K.

South Tahoe Public Utility District

Public Works Construction Purchasing Policy

The District elected to become a participating member of the California Uniform Public Construction Cost Accounting Act (CUPCCAA) effective July 6, 2024. The CUPCCAA is at section 22000 et seq in the California Public Contract Code. It establishes (3) monetary levels for contracting public works projects. All employees are required to follow this policy for Public Work Projects of the South Tahoe Public Utility District (Reference Exhibit A for Flowchart). All costs should be considered including labor, materials, sales tax, freight, and installation in defining "purchase" price for comparison with the dollar thresholds indicated in this policy

A Public Works Project is defined as the following:

- ❖ Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility.
- ❖ Painting or repainting of any publicly owned, leased, or operated facility.
- ❖ In the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, powerplants, and electrical transmission lines of 230,000 volts and higher.

It is the intent of this policy to ensure that District purchases are cost effective, encourage competition, and follow all applicable laws. Nothing in this policy shall preclude the District from using its own labor resources and supplies to complete any project for ordinary upkeep, maintenance, or repairs.

GENERAL REQUIREMENTS

Orders for unbudgeted capital outlay items must be authorized by the Chief Financial Officer (CFO) prior to the order being placed.

Orders for public works projects over \$1000 shall require the payment of prevailing wages as mandated by California Law. Payments for public works projects exceeding \$5000, may require a 5% retention unless the project is deemed to be "substantially complex".

ALL INVENTORY PURCHASES

All purchases of "inventory" items require use of District's Inventory ReOrder Batch System.

PURCHASES OF \$0.00 - \$60,000.00

District Staff will have 3 options for this level of project: (1) Utilization of internal resources, (2) Contract/PO or (3) Negotiated contract. District Staff will obtain at least 3 competitive quotes (if available) and approval by the General Manager (and by the CFO for any unbudgeted purchase), before the order is placed with the company providing the quote in the best interest of the District.

PURCHASES OF \$60,000.01 - \$200,000.00

District staff will follow informal public bidding procedures, as modified by the Act in Public Contract Code section 22034.

The Purchasing Agent will review all Notice Inviting Bids or other solicitation documents before publication and conduct all bidding procedures to include the notification to applicable trade journals and qualified contractors (15) days prior to the bid opening. Any projects utilizing Federal and/or State Funding sources may have additional requirements which must be abided. The notice inviting informal bids shall describe the project in general terms and how to obtain more detailed information about the project and state the time and place for the submission of the bids.

Purchases in the amount of \$ 60,000.01 - \$75,000 shall be approved by the General Manager while purchases greater than \$75,000 shall be approved by the Board of Directors.

California Code requires projects to be awarded to the lowest responsible bidder (unless completed by District resources as mentioned in the beginning of this policy).

If all bids received are in excess of two hundred thousand dollars (\$200,000), the Board of Directors may, by adoption of a resolution by a four-fifths vote, award the contract, at two hundred twelve thousand, five hundred dollars (\$212,500) or less, to the lowest responsible bidder, if it determines the cost estimate of the public agency was reasonable.

PURCHASES EXCEEDING \$200,000.00

District staff will advertise for competitive bids and follow procedures as outlined in the Public Contract Code section 22037; and all purchases shall be approved by the Board of Directors. Participating in or matching other government or purchasing coalition contracts, which have recently been competitively awarded, qualifies as having met the formal public competitive requirement.

The Supervisor or Manager will submit to the Purchasing Agent completed specifications for item/s and/or services to be bid. Upon request, the Purchasing Agent will assist the Supervisor or Manager in developing specifications.

The Purchasing Agent will review all Notice Inviting Bids or other solicitation documents before publication and conduct all bidding procedures pursuant to Public Contract Code Section 22037, as well as including notification to applicable trade journals, qualified contractors and general public (15) days prior to the bid opening. Any projects utilizing Federal and/or State Funding sources may have additional requirements which must be abided. Exceptions may be made for those procedures completed by the Engineering Division and/or outside consulting firms.

Those bids opened by the Purchasing Agent will be evaluated with the assistance of the Supervisor and/or Manager, prior to submitting the bid results to the General Manager for consideration of award. The award will be to the lowest responsible bidder.

Any changes which increase the cost of a formally bid public works project must also be approved by the Board of Directors; and contract changes for those projects must be approved by a four-fifth vote of the Board of Directors.

EXEMPTED FROM FORMAL COMPETITIVE SOLICITATION

1. Purchase of services (excluding new construction, alteration, maintenance, or repair services), including special services or advice in financial, economic, accounting, engineering, legal or administrative matters (if the person hired is specially trained and experienced and competent to perform those services), and including representatives to aid or prevent the passage of legislation beneficial or detrimental to the District. Also, if service is a substantial or critical portion of an article purchase, other methods of solicitation may be considered including but not limited to bid award based upon best value or solicitations which consider other cost, quality or service factors.
2. Purchase of commodities or services of (utilities) light, water, power, heat, transportation, telephone service or other means of communication, or means for the disposition of garbage, sewage, or refuse matter.
3. When contracting with suppliers competitively awarded State of California price schedules, commodity contracts, master agreements, cooperative agreements, and other types of agreements that leverage the state's buying power (for goods, information technology, and services).

EXCEPTIONS TO INFORMAL COMPETITIVE SOLICITATION FOR ITEMS LESS THAN \$60K

In any of the following instances, the requirements of informal competitive solicitation for those projects under \$60K may be dispensed with if decided by the General Manager or the Board of Directors as per their applicable approval level:

1. When the item (merchandise or service) can be obtained from only one source.
2. When the item is required or is economically preferable to match or be compatible with other furnishings, materials or equipment presently on hand and the purchase is made from the manufacturer or supplier who supplied other such furnishings, materials or equipment.
3. When the item has been standardized by the District and can be purchased from only one source or is purchased from the original manufacturer or supplier.

EXCEPTIONS TO FORMAL COMPETITIVE SOLICITATION

1. When all bids are considered unsatisfactory or excessive and are rejected by the Board of Directors by a four-fifths vote, the District may do any necessary work and make necessary expenditures in lieu of contracting for the proposed work.
2. When the General Manager and/or Board of Directors (by a four-fifths vote) declares an emergency, after finding that conditions will not permit a delay resulting from a competitive solicitation for bids. All actions thereafter taken will be reported to the Board until the emergency action is terminated (at the earliest possible date that conditions warrant).

Nothing in this policy shall prevent the General Manager of the District from ordering any action necessary and appropriate to respond to sudden, unexpected occurrences that pose a clear and imminent danger requiring immediate action to prevent, or mitigate the loss or impairment of life, health, property and essential public services.

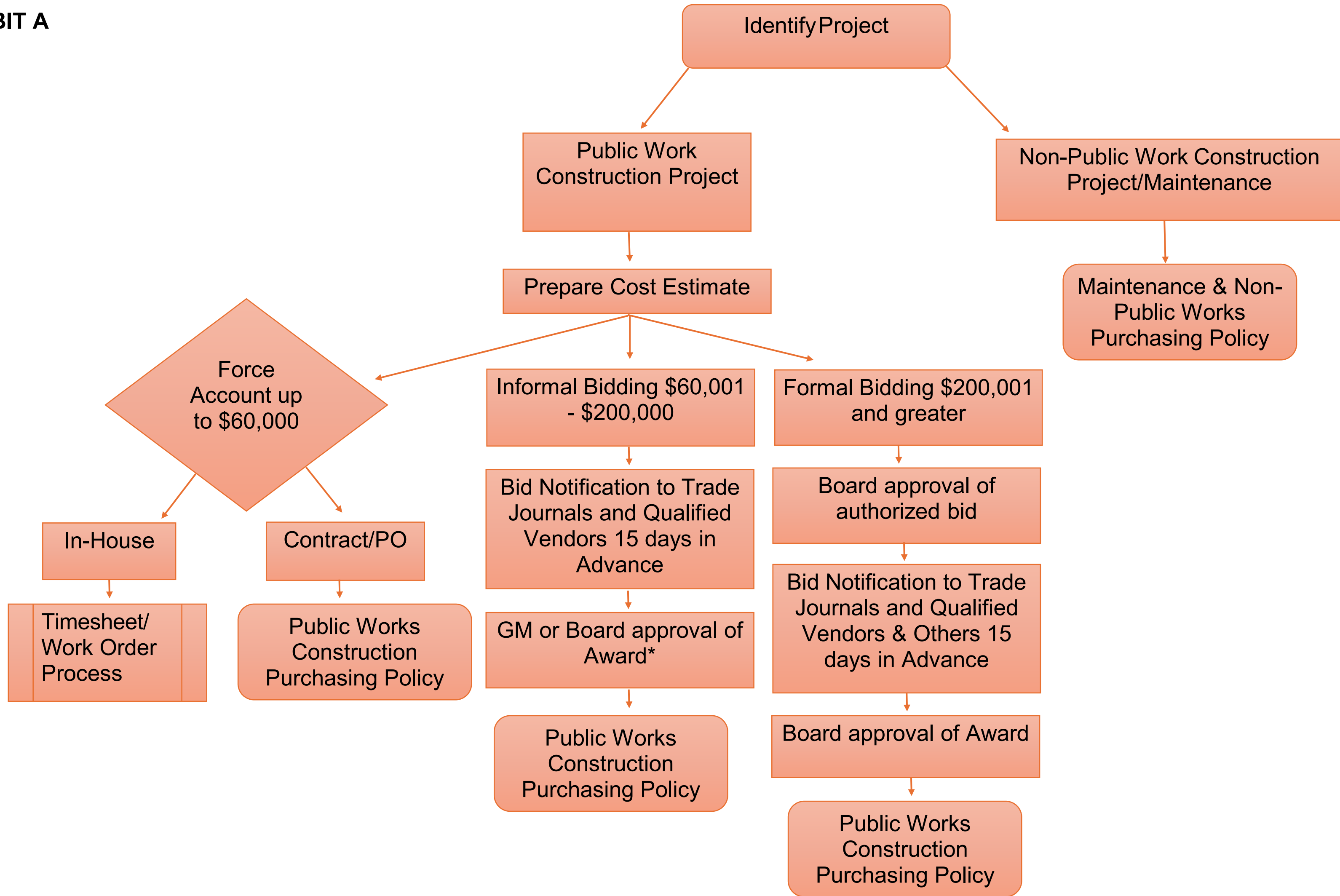
If any portion of this policy is in conflict with rules, regulations or legislation having authority over the South Tahoe Public Utility District, said rules, regulations or legislation shall prevail.

ADDITIONAL CONSIDERATIONS

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity may neither solicit nor accept gratuities, favors, or anything of

monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial, or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

EXHIBIT A



*General Manager approves awards up to \$75K, Board approves awards greater than \$75K.