

## INTERIM PURCHASING POLICY FOR PURCHASES LESS THAN \$25,000

### Purchasing Process

- I. Field Service Manager (Requestor) or District Manager (Requestor) or Board identifies a need for goods or services;
- II. Requestor provides a brief written justification for request to District Manager.
- III. Field Services/District Manager follows the guidelines of these policies and procedures to request a permission to purchase order (PPO) if purchase is in Category 2 or higher;
- IV. District Manager/Board reviews and approves or denies the request for a PPO;
- V. District Manager issues a PPO if approved;
- VI. Vendor selection process completed by District Manager if purchase is in Category 3 or higher;
- VII. Requestor places the order with the selected vendor;
- VIII. Requestor receives goods/services and invoice;
- IX. Field Service Manager verifies invoice, processes and submits invoice to Accounts Payable;
- X. Accounts Payable audits the invoice prior to processing payment;
- XI. Finance Department issues a payment to the vendor for the goods/services provided.

### PERMISSION TO PURCHASE REQUESTS

Permission to Purchase Requests (PPRs) are required for all purchases in Category 2 or higher unless the procurement of goods or services is exempt according to the Requisition Exemption List in these policies and procedures. The PPR should be prepared far enough in advance to provide sufficient time for approvals and delivery of goods or services. Threshold Levels, Authorization, Documentation Requirements, and quote amounts will be monitored by District Manager

Levels	Authorized Approvers	Documentation Requirements
Category 1 \$499.99 or less – Credit Card	Field Services Manager or District Manager	Although quotes are not required, they are encouraged
Category 2 \$500 and less than \$4,999.99- PPO required	District Manager	Three written quotes are required (including shipping, handling and any fees); can use online pricing & catalogs
Category 3 \$5,000 and less than \$24,999.99 (within one fiscal year) -Legal Agreement & PPO required	District Manager & Board	Three written quotes required; Specification package must be submitted to District Manager to obtain quotes from vendors on vendor list maintained by District Manager

If there is a foreseen need for products or services of a like or similar nature costing more than \$25,000 in aggregate within a fiscal year, the District Manager may recommend competitive solicitation, even though the products and services individually may be under the \$25,000 bid threshold.

Except as herein provided, it shall be a violation of the Purchasing Policies and Procedures for any officer, employee, or agent of the District to order the purchase of any goods (materials, supplies, or equipment) or professional or contractual services, or to make any agreement within the purview of these policies and procedures other than through the policies and procedures stated herein. Any purchase order or agreement made contrary to the provisions herein shall not be approved, and the District shall not be bound thereby. Purchases, orders, or agreements that are subdivided to circumvent the Purchasing Policies and Procedures shall be considered unauthorized purchases.

### **Authorization and Documentation Exceptions**

**Emergency Purchases** - This provision shall be used only if there is imminent danger to the health, safety or welfare of the residents of the District or threat of deterioration of a critical service as approved by the District Manager. In an emergency, authorization to contract in excess of \$4,999.99 is granted to the District Manager with the provision that it will be brought to the attention of the Board at their next regularly scheduled meeting for “after-the-fact” approval. This authority will be capped at \$25,000; any requirements above that level will be considered by the Board at a special called meeting or regular meeting.

**Quote and Bidding Exemptions** - Sole source purchases and purchases of goods for product testing are exempt from the three-quote requirement and competitive bidding requirements, provided the purchases have been pre-approved by the District Manager.

### **Requisition Exemption List**

There are certain expenditures for which the processing of a requisition is unnecessary. The following payments should be made without a requisition:

- I. Pre-approved District employees’ reimbursements;
- II. Monthly recurring utility bills (single source);
- III. Purchases made during the period of a declared emergency;
- IV. Purchases less than \$500;
- V. Legal advertising;
- VI. FedEx and/or UPS invoices;
- VII. Refunds;
- VIII. Reimbursements to residents serving on District boards;
- IX. Recurring monthly intergovernmental disbursements.

### **Permission to Purchase Request Procedures**

The following procedures apply to all PPRs for purchases in Category 2.

To submit a request, the Field Services Manager should:

- I. Obtain quotes (including shipping) within the approved thresholds. Ensure tax is not included in the quoted price.

Due diligence to obtain the best price is required no matter the purchase price. If quotes are not obtainable due to lack of vendor interest/response, please state the reason on the requisition in the Reason for Purchase/Special Instructions Section. Competitive formal solicitation procedures could be

required if the service agreement has the potential to exceed \$24,999.99 over the life of the agreement. Refer to “Authorization and Documentation Requirements” above for requirements for quotes/solicitations.

II. Provide PPR to District Manager for approval or denial. The PPR must include the following:

- A. Quotes and any supporting information for purchase;
- B. The appropriate expense account, ensuring that funds are available for the purchase. If funds are not available state this in the PPR as a Budget Transfer and/or Amendment may be required;
- C. The appropriate vendor, after ensuring the vendor has met all vendor requirements; and
- D. The justification for the purchase and the description, price, and quantity of the item(s).
- E. Attach the following supporting backup documentation (if applicable) to the request to assist in the approval process:
  - a. If Sole Source, explanation as to why;
  - b. If Emergency Purchase, explanation of emergency;
  - c. If Piggy Back Purchase, name of governmental entity that completed the original vendor selection, governmental entity’s authorization on letterhead or via email verifying the integrity of the agreement in which the District is wishing to “piggyback”, and governmental entity’s contact information;
  - d. Letter of explanation (any work done prior to a requisition will be rejected unless it is submitted with written pre-approval by District Manager);
  - e. Desired “Deliver By” date;
  - f. Board approval date and terms of the agreement (if applicable).