

**MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
ADMINISTRATIVE CODE**

CONTRACTS	§8000-§8006
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§8000 CONTRACTS

Contract documents shall consist of such documents as the General Manager may deem desirable and approved as to form by MWDOC’s Legal Counsel in addition to those required by law. The contract documents may include, among others, a notice inviting bids, proposal, bidder's bond, form of agreement, performance bond, payment bond, specifications and drawings. Whenever an award is made by the Board, such award shall constitute approval of the contract documents and contractor or consultant shall be authorized to proceed with the provision of services or materials described in the contract document, subject to compliance with the insurance and bonding requirements, execution of all documents and, where applicable, issuance by MWDOC of a Notice to Proceed.

It is MWDOC’s policy that purchasing and contracting shall be conducted in a fair, open, and transparent manner so as to maximize benefits to MWDOC. All contracts should be reviewed and re-bid at least every five (5) years, except in situations with documented significant benefits to MWDOC, or in those instances where the services being provided are unique or highly specialized with an extremely limited number of qualified vendors.

The procedures for entering into contracts shall be pursuant to the laws governing MWDOC and those policies outlined in MWDOC’s Contracts Manual.

M-6/17/15; M-8/15/18; M-8/19/20

§8001 APPROVING AUTHORITY FOR PURCHASES/CONTRACT SERVICES

Approving authorities listing the standards and procedures for various purchases and contract services are listed in the matrix attached to this section as Exhibit A.

The General Manager may delegate all purchasing approval authorities to the Assistant General Manager during periods when the General Manager is absent.

M-6/17/15; M-8/19/20

§8002 COOPERATIVE AGREEMENTS

In an effort to obtain cost savings through economies of scale and improve efficiencies, staff may identify and make use of competitive and negotiated Cooperative Agreements of another Federal, Local or State public entity that would be beneficial for District use, provided the following guidelines are followed:

1. The initial procurement the District is relying upon is consistent with District policy, regarding purchasing agreements and professional services;
2. Cooperative purchases are made under the terms, and conditions of another public agency’s agreement in which that agreement includes a provision that extends its

- pricing, terms and conditions to other public agencies;
3. Utilization of Cooperative Agreements shall be consistent with the amounts and approving authority listed in Exhibit "A".
 4. Cooperative Agreement amounts above the General Manager's authority, will go before the Board for consideration. Prior to the Board's review, the Agreement will be reviewed by Legal Counsel to determine the Agreement is in compliance with the District guidelines and that the Cooperative Agreement followed an appropriate RFP/Bidding process.
 5. Upon approval by the General Manager and/or Board, the District shall enter into a new contract with the vendor based on the initial public entity's Agreement.
 6. The Cooperative Agreement shall specify the cost, quality and specification of the goods and services.

M-8/19/20

§8003 CHANGE ORDER

A Change Order is work that is added to the original Contract's Scope of Work which alters the original contract amount and/or completion date and must be signed by the contractor/consultant and General Manager. The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000. If it exceeds \$25,000 the Change Order must be presented to the Board for approval.

M-8/19/20

§8004 STANDARD AGREEMENT FOR CONSULTANT SERVICES

During the budget approval process, each fiscal year, a listing of all proposed contracts with consultants to provide ongoing or new professional services such as auditing, legal or engineering services shall be included in the budget for approval. After Board approval, a "Standard Agreement for Consultant Services" shall be prepared and completed, including receipt of all required insurance documents, before services are initiated. The Agreement shall have a scope of work attached and incorporated into the Agreement by reference, specifically setting out the tasks to be completed. Tasks other than those specifically described shall not be performed without prior written approval of the General Manager.

Work performed under such Agreement is to be billed and paid for at rates set forth in the consultant's fee schedule or schedule. MWDOC's Ethics Policy (Section 7100-7111) shall be incorporated in to the Standard Agreement for Consultant Services, as an Exhibit.

M-12/9/92; 7/21/93; 7/16/97; 11/21/01; 06/15/11; 02/15/12; 06/01/15; 8/19/20

Selection of Consultants

The following criteria shall be used to qualify candidates for professional services.

1. Specialized experience and technical competence of the consultant and its personnel considering the type of services required and the complexity of the project.

2. The consultant's familiarity with types of problems applicable to the project.
3. Past record of performance on projects with MWDOC, other governmental agencies or public bodies and with private industry, including such factors as control of costs, quality of work and ability to meet schedules.
4. The consultant's capacity to perform the work (including any specialized services) within the time limitations and with proposed staff, considering the firm's current and planned workload.
5. The consultant's level of financial responsibility.
6. The consultant's documentation of no personal or organizational conflicts of interest prohibited under State or local law.
7. Types of guarantees or warranties offered by the consultant.
8. Estimate of the range of proposed services and costs.

Procedure for Contracts Between \$3,000 and \$25,000 Awarded Under the General Manager's Authority

In the event that sole source Professional Service contracts between \$3,000 and \$25,000 are awarded pursuant to the General Manager's authority, the Sole Source Procurement Justification Form (included in the District's Contracts Manual) shall be completed and submitted to the next Board or Committee meeting as an informational item, prior to starting the work. If time constraints occur, the General Manager shall submit the Sole Source Procurement Justification Form and any supporting documentation to the Board President at least a week prior to starting the contract work and then will still include the Form on the next Board or Committee agenda as an informational item.

On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall provide an informational item to the Board or a Committee meeting regarding the nature of the contract. The General Manager shall submit an annual status report on all contracts executed under the General Manager's authority to the Administration & Finance Committee.

Procedures for Developing Requests for Proposals

Staff will prepare a description of the proposed project, its purpose, location, and other pertinent facts and shall request interested consultants to submit proposals; consultants may be requested to submit a statement of qualifications for certain activities. The proposals shall contain detailed information, including, but not limited to, the firm's ability to perform the job within the designated timeframe, the firm's design team, the firm's proposed use of sub-contractors, the firm's proposed scope of work, level of effort and estimated cost range, and contract documents.

M-06/15/11; 06/17/15; 9/20/17; 8/19/20

§8005 REQUISITIONS AND PURCHASE ORDERS

All requests for purchases require the submission of a requisition via the District's Financial Management System and approval by the appropriate Cost Center Manager. If the Cost Center Manager is not available, the Assistant General Manager or General Manager may approve the requisition. The Accounting Manager approves all purchases. Purchases over \$3,000 require an approval by the General Manager or Assistant General Manager.

In the absence of the Accounting Manager or General Manager, the Alternate Deputy Treasurer(s) are authorized to approve purchase orders. It is normally expected that neither the General Manager nor the Accounting Manager nor those approving in their absence shall approve their own purchase orders. If the authorized signees are not available, the Cost Center Manager may approve their own purchase orders provided the purchase is ratified upon the return of the one who would normally approve.

A. Procurement Policy

Every attempt will be made to obtain the best quality materials, equipment supplies and services in the optimum time frame for the minimum price. Quality of performance or product, as well as lowest cost, will be considered in the process.

B. Online Requisitions

A purchase requisition shall be submitted via the online Financial Management system for requesting the purchase of supplies, material, equipment, labor or services. The requisition should be submitted accurately, and in advance of the date the supplies, materials, equipment, labor or services are needed, in order to allow time for processing.

Requisitions are to clearly specify the type, quantity, and cost of the goods or services required. Common-use items should be described by their popular names, supplemented by number, size, style or other identifying data. In the case of items or services regularly needed in MWDOC operations, where experience and convenience have indicated the most economical and convenient place of purchase, choose the customarily used vendor. If the vendor is not listed then request a Vendor Number from the Accounting Department. A tax ID number or a W-9 form is to be provided to the Accounting Department in order to process a new vendor. If items requisitioned need to be installed or assembled, it should be stated on the uploaded supporting documentation whether MWDOC or the vendor is to do the installing or assembling. Any unusual conditions in connection with delivery and/or installation/assembly should be indicated.

C. General Ledger Coding

Each requisition will specify the general ledger account number, fund, cost center, entity, activity code, program, region and class code if applicable for which the supplies, materials, equipment or services are necessary so that the costs of such purchase may be charged to the proper account. The Cost Center Manager approving the requisition shall insure there are sufficient unencumbered funds in the proper account to cover the cost of the purchase.

D. Inspection and Acceptance of Order

The requisitioner in all cases is responsible for inspecting and for accepting or rejecting deliveries and for determining that both the quality and quantity of the delivery are as ordered. The requisitioner shall sign and date the delivery ticket and submit it to Accounting as certification that the goods were received and accepted. If the goods delivered are not accepted and returned, the requisitioner shall notify the vendor and the Accounting Department.

§8006 PERSONS OR COMPANIES REPORTING GIFTS

All contracts shall contain provisions as contained in Administrative Code Section 7105 with regard to reporting of gifts.

Exhibit A
AUTHORIZATION PROCEDURES FOR PURCHASES, CONTRACTS, AND
CONSULTING & PROFESSIONAL SERVICES ^{(1) (2) (3)}

TABLE 1 – REGULAR SITUATIONS

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$1,000 (no quotes needed) \$1,001 - \$3,000	<ul style="list-style-type: none"> • Selection based on qualifications for professional services • 2 written quotes on purchases 	Cost Center Manager & Accounting Manager	N/A
\$3,001 - \$25,000 ⁽²⁾	<ul style="list-style-type: none"> • Competitive bidding process on purchases, or 3 written quotes • Competitive proposals on professional services contracts. • If competitive proposals are not utilized, a Sole Source Procurement Justification form must be completed and submitted to the next Board meeting as an informational item. 	Cost Center Manager & GM	N/A
Over \$25,000 ⁽³⁾	<ul style="list-style-type: none"> • Request for competitive proposals or bidding as appropriate or justification of a sole source contract to be included in the Board Action write up 	General Manager	Committee and Board of Directors

(1) Any aggregate work that will exceed \$25,000 for any one consultant over a one year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors for the work to be authorized.

(2) The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000, without Board approval.

(3) Sole source contracts that go to the Board for approval shall not require the completion and submittal of the Sole Source Procurement Justification form. The justification for the sole source will be included in the write up to the Board.

TABLE 2 – EMERGENCY SITUATIONS**

Dollar Amount	Requires Preparation of:	Signed By	Approving Authority
Up to \$100,000	Purchase order/Agreement or Contract	General Manager	Board of Directors ratification at next regular meeting or earliest special meeting
Over \$100,000	Agreement or Contract	General Manager	Board of Directors

**Events requiring immediate extraordinary action to protect public health, safety, welfare and property

M-6/15/11; 02/15/12; 6/17/15; 9/20/17; 08/19/20