

LOCAL AGENCY FORMATION COMMISSION
POLICIES AND GUIDELINES

DRAFT PURCHASING POLICIES

Amendments to existing policies

2.1.8 **Expense Claims:** **All claims** Claims for expenses, other than usual employee costs (salaries and benefits), ~~fixed intra-county service charges,~~ are **to be** reviewed and approved by **the** Commission ~~action~~. **Expenditure authorization for all expenses shall comply with Policy 2.9.**

2.7.2 **Expenditures**

(c) **All claims** Claims for expenses, other than usual employee costs (salaries and benefits), are reviewed and approved by the Commission (Policy 2.1.8). **Expenditure authorization for all expenses shall comply with Policy 2.9.** The Executive Officer **shall strive to** ~~may~~ authorize payment of routine claims **in an expeditious manner** ~~prior to the Commission's review~~ in order to avoid late charges, ensure prompt payment and to qualify for early payment discounts.-

New Policy:

2.9 PURCHASING POLICIES AND PROCEDURES

2.9.1 Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES, AGREEMENTS AND CONTRACTS MADE BY EL DORADO LAFCO.

It is the policy of El Dorado LAFCO to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of financial commitment. The policies in this section describe the principles and procedures that all staff shall adhere to in the completion of their designated responsibilities. The policies and procedures are intended to provide for the cost-effective use of public resources, including funds and staff time.

**LOCAL AGENCY FORMATION COMMISSION
POLICIES AND GUIDELINES**

2.9.2 Authorizations and Purchasing Limits

1. All purchases should adhere to the following guidelines:

| Purchase Limit | Minimum Number of Quotes | Form of Quote | Approval Authority |
|-----------------------|---------------------------------|----------------------|---------------------------|
| Goods | | | |
| Up to \$1,000 | 1 | Verbal | Executive Officer |
| \$1,001 - \$5,000 | 2 | Written | Executive Officer |
| \$5,001 - \$10,000 | 3 | Written | Chair |
| Over \$10,000 | 3 | Written | Commission |
| Services | | | |
| Under \$1,000 | 1 | Verbal | Executive Officer |
| \$1,001 - \$10,000 | 1 | Written | Executive Officer |
| Over \$10,000 | 2 | Written | Commission |

2. Any contract or agreement for services greater than \$10,000 within a fiscal year shall be presented to the Commission for approval and execution.
3. Any contract or agreement for which there are not sufficient funds contained in the appropriate line item of the LAFCO budget, regardless of the amount of the contract or agreement, shall be presented to the Commission for approval and execution.
4. Any amendment to an existing contract or agreement for services which would cause the total amount of the contract or agreement to exceed \$10,000 in a fiscal year shall be presented to the Commission for approval and execution.
5. Any furniture or fixtures with a useful life of ten years or equipment with an estimated useful life of five years costing \$1,500 or more must be inventoried as a capital asset in compliance with Policy 2.5.
6. At the end of each fiscal year, the Commission shall review all open ended contracts, agreements and amendments and all unexpired limited term contracts, agreements and amendments.

LOCAL AGENCY FORMATION COMMISSION
POLICIES AND GUIDELINES

2.9.3 Conflict Avoidance

1. Goods or services shall not be purchased from members of the Commission, Commission employees, other vendors that are related to Commissioners or Commission employees, or vendors in which Commissioners or employees have a financial interest.
2. Strict observance to Policy 2.7.4 will be observed at all times.

2.9.4 Required Solicitation of Quotations

1. Solicitation only requiring verbal quotes
 - a. Solicitor must document the quote amount in writing.
 - b. The written record must be retained for the appropriate period of time as indicated in Policy 2.8.1.
 - c. All purchases must be reviewed by the Commission as specified in Policy 2.1.8
2. Solicitations requiring written quotes
 - a. All purchases of goods must be reviewed by the Commission as specified in Policy 2.1.8.
 - b. Written approval from the Chair must be in the form of an agreement or contract executed by Chair, signed authorization from the Chair to the Executive Officer, or via e-mail from the Chair to the Executive Officer.
 - c. Where expected costs are equal to or greater than \$10,000 within a fiscal year, a bid or formal request for proposal (RFP) process is required. The process should provide for all of the following:
 - i. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features that unduly restrict competition.
 - ii. Requirements that the bidder must fulfill, and/or outcomes that the bidder must deliver or perform, and all other factors to be used in evaluating bids or proposals.
 - iii. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

LOCAL AGENCY FORMATION COMMISSION
POLICIES AND GUIDELINES

- iv. A description of the proper format, if any, in which proposals must be submitted, including the name of the LAFCO staff contact to whom proposals should be sent.
- v. The date by which proposals are due.
- vi. Required delivery or performance dates/schedules.
- vii. Clear indications of the quantity(ies) requested and unit(s) of measure.

2.9.5 Special Purchasing Conditions

1. Emergencies: Where equipment, materials, parts, and/or services are needed to protect the health, welfare, safety, etc., of staff and/or to avoid damage or loss of Commission property, quotations will not be necessary. However, such purchases will be subject to approval by the appropriate authority subject to the limits depicted previously, except that the Executive Officer may approve such purchases if time does not allow for Commission approval and reasonable efforts to contact the Chair have been unsuccessful. The purchase must be reported back to the Commission within 90 days or by the next available meeting, whichever is later.
2. Equipment, supplies and furniture purchases from discount warehouses will not require multiple quotes; however, such purchases will be subject to approval by the appropriate authority subject to the limits depicted previously.
3. Single Distributor/Source: Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary.
4. The Commission can delegate its authority to the Chair or Executive Officer on a case-by-case basis.
5. Extending the purchase of goods or services under the terms of an existing agreement/contract will not require additional quotes unless the cost exceeds \$10,000 within a fiscal year. In those instances, Commission review and authorization under Policy 2.9.2 is required.

2.9.6 Vendor Files and Required Documentation

1. The creation of vendor files for each new vendor from whom LAFCO purchases goods or services will comply with established procedures for the retention of accounts payable documentation.
2. When a vendor file is created, if that vendor is not used again, the purging of their file must be in compliance with Policy 2.8.1.