

As a matter of proper business decorum, the Board of Directors respectfully request that all cell phones be turned off or placed on vibrate. To prevent any potential distraction of the proceeding, we request that side conversations be taken outside the meeting room.

AGENDA
REGULAR BOARD MEETING
THREE VALLEYS MUNICIPAL WATER DISTRICT
1021 E. MIRAMAR AVENUE, CLAREMONT, CA 91711

Wednesday, October 7, 2020 – 8:00 a.m.

SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Newsom in response to the COVID-19 outbreak and as a precaution to our Board of Directors, staff and the public, Three Valleys MWD will hold its Board meeting via teleconference. The public's physical attendance at the district is not allowed. The public may participate in the teleconference by clicking on the link below:

<https://attendee.gotowebinar.com/register/6088827523722416400>

(Dial-in instructions are provided after registering at the link above)

Any member of the public wishing to participate in Public Comment may do so by filling out the speaker's card at the following link: **<https://arcg.is/0z5GqO>**

The mission of Three Valleys Municipal Water District is to supplement and enhance local water supplies to meet our region's needs in a reliable and cost-effective manner.

Item 1 – Call to Order

Kuhn

Item 2 – Roll Call

**Executive
Assistant**

Item 3 – Additions to Agenda [Government Code Section 54954.2(b)(2)]

Kuhn

Additions to the agenda may be considered when two-thirds of the board members present determine a need for immediate action, and the need to act came to the attention of TVMWD after the agenda was posted; this exception requires a degree of urgency. If fewer than two-thirds of the board members are present, all must affirm the action to add an item to the agenda. *The Board shall call for public comment prior to voting to add any item to the agenda after posting.*

Item 4 – Reorder Agenda

Kuhn

Item 5 – Public Comment (Government Code Section 54954.3)

Kuhn

Opportunity for members of the public to directly address the Board on items of public interest within its jurisdiction. The public may also address the Board on items being considered on this agenda. TVMWD requests that all public speakers complete a speaker's card and provide it to the Executive Assistant.

We request that remarks be limited to five minutes or less. Pursuant to Government Code Section 54954.3, if speaker is utilizing a translator, the total allotted time will be doubled.

Item 6 – Presentations

6.A – Mr. Chris Palmer from California Special Districts Association (CSDA) will provide the Board with an update on CSDA activities. **Howie**

6.B – Ms. Julia Hall, Sr. Legislative Advocate from the Association of California Water Agencies (ACWA) and Mr. Dave Pedersen, General Manager of Las Virgenes Municipal Water District, will provide the Board with an update on recent Public Safety Power Shutoffs (PSPS) activities – [enc]. **Howie**

Item 7 – General Manager’s Report **Litchfield**

The Executive Leadership Team will provide brief updates on existing matters under their purview and will be available to respond to any questions thereof.

7.A – 2020 General Election Preview **Howie**

The Board will be provided an update on the upcoming election.

7.B – Resolution No. 20-10-DRAFT of the Three Valleys MWD in Support of the Chino Basin Watermaster Optimum Basin Management Program (OBMP) – [enc] **Litchfield**

The Board will consider a resolution in support of the Chino Basin Watermaster OBMP and may direct staff to return this item to a future Board meeting for consideration of approval.

7.C – Purchasing Policy Update – [enc] **Linthicum**

The Board will review an update to TVMWD Purchasing Policy and may direct staff to return this item to a future Board meeting for consideration of approval.

7.D – Projects Summary Update **Peralta**

The Board will be given an update of ongoing District projects.

Item 8 – Closed Session **Kuhn**

8.A - Conference with Legal Counsel – Existing Litigation [Government Code Section 54956.9(d)(1)]

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-10-510830 (Consolidated with Case No. CPF-12-512466)

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-14-514004

Name of Case: San Diego County Water Authority v. Metropolitan Water District of Southern California, et al., San Francisco County Superior Court Case No. CPF-16-515282

8.B – Conference with Legal Counsel – Existing Litigation [Government Code Section 54956.9(d)(1)]

Name of Case: Chino Basin Municipal Water District v. City of Chino, et al., San Bernardino County Superior Court Case No. RCV RS 51010

8.C – Conference with Legal Counsel – Anticipated Litigation

- Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)
- One potential case

Item 9 – Future Agenda Items

Kuhn

Item 10 – Adjournment and Next Meeting

Kuhn

The Board will adjourn to a regular Board Meeting on Wednesday, October 21, 2020 at 8:00 a.m.

American Disabilities Act Compliance Statement
Government Code Section 54954.2(a)



Any request for disability-related modifications or accommodations (including auxiliary aids or services) sought to participate in the above public meeting should be directed to the TVMWD's Executive Assistant at (909) 621-5568 at least 24 hours prior to meeting.

Agenda items received after posting
Government Code Section 54957.5

Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public review at the TVMWD office located at, 1021 East Miramar Avenue, Claremont, CA, 91711. The materials will also be posted on the TVMWD website at www.threevalleys.com.

Three Valleys MWD Board Meeting packets and agendas are available for review on its website at www.threevalleys.com.

South Coast Air Quality Management District Rule Change Proposal – PSPS Generator Flexibility

To the Three Valleys Municipal Water District Board of Directors:

Please find attached to this cover letter a draft write-up of a proposal provided to the Association of California Water Agencies (ACWA) by the South Coast Air Quality Management District (South Coast) for an administrative alternative to a legislative solution to address the unintended consequences of Public Safety Power Shutoff (PSPS) events.

Background

In the fall of 2019, the newly implemented PSPS events in SCE and PG&E territories caused a number of challenges for ACWA members. Among those challenges was a lack of flexibility for the use of backup generators during these PSPS Events. While this is a statewide challenge, South Coast has the strictest emergency generator rules in the state, limiting emergency generator runtime to 200 hours and testing and maintenance to 20 hours.

ACWA and the California Municipal Utilities Association (CMUA) both sponsored bills in the 2020 legislative session to address these challenges; ACWA sponsored AB 2182 (Rubio), and CMUA sponsored SB 1099 (Dodd & Glazer). As a result of these collective legislative efforts, South Coast has offered to provide some administrative certainty by amending two of its existing rules related to both runtime and testing and maintenance limits. ACWA, CMUA, and other interested parties have made verbal commitments to South Coast to work through this administrative process toward a solution, rather than a legislative solution.

Summary of South Coast Proposal

This proposal would amend two existing South Coast rules: Rule 1110.2 related to runtime limits and Rule 1470 related to testing and maintenance.

Changes to Rule 1110.2 would create a mechanism for an automatic variance in specified emergency conditions. All standard excess pollution fees would still be applicable. If an agency chronically needed these automatic variances (over a few consecutive years) South Coast would work with that agency on a technically and economically feasible replacement schedule for those generators.

The changes to Rule 1470 would be optional for ACWA members to use. Any agency interested in additional testing and maintenance hours would be able to opt-in to a generator upgrade schedule in exchange for additional hours.

The following two pages were provided to ACWA by South Coast and contain a description of the proposals South Coast intends to pursue through its rulemaking authority.

South Coast Administrative Proposal Summary Provided to ACWA

SB 1099 – Proposal by South Coast Air Quality Management District for a Non-Legislative Solution

South Coast Air Quality Management District (South Coast AQMD) and the stakeholders sponsoring SB 1099 are interested in negotiating a global, non-legislative solution to address concerns related to the operation of backup generators (BUGs) by critical facilities during a Public Safety Power Shutoff (PSPS) and for the testing and maintenance of those BUGs, so they are ready to be used during a PSPS or other loss of power. As an alternative to SB 1099 or other BUG-related legislation by the California Municipal Utilities Association, the Las Virgenes Municipal Water District, the Association of California Water Agencies, and the California Hospital Association, as authored by Senators Dodd and Glazer, South Coast AQMD staff can commit to pursue rulemaking based on the rule amendment concepts provided below.

Notes:

- All proposed rules must undergo a CEQA analysis, go through a public process, including possible working group meetings, South Coast AQMD committee meetings, and be approved by the South Coast AQMD Governing Board, and in the case of Rule 1110.2, ultimately be approved by U.S. EPA.
- Initial thinking is that these provisions would only be available for essential public services, including hospitals, as defined by rule.

Proposed Amendments to Rule 1110.2 to Allow Operation of an Emergency Backup Engine More than 200 Hours per Year Due to a PSPS

Overview: Rule 1110.2 currently exempts back up engines from meeting, NOx, VOC, and CO emission limits, provided they do not operate more than 200 hours per year (including testing, maintenance, and emergencies)

- Proposed Amended Rule 1110.2 would allow an essential public service to exceed the 200 hours of operation per year limit provided:
 - Operator simply notifies the South Coast AQMD that they are going to or have exceeded the 200 hours/year limit on operating a BUG (this altogether avoids the variance process)
 - Operator provides proof of the PSPS event– location, date, time, and duration
 - Staff is willing to explore if there are other emergencies that could be considered as part of this provision, but would like to keep the provision narrow
 - Operator pays an excess emission fee that would be used to help fund replacement of older dirtier engines (excess emission fees are part of the existing variance process as well, so this is not a new concept)
 - Staff will explore a sliding fee scale based on the age and emissions of the existing engines – cleaner engines pay lower or possibly no fee
 - Any fee would be incorporated into the rule to ensure transparency
 - A voluntary commitment to a schedule to replace older engine could allow the fee to be waived
- Staff will explore through rulemaking a provision to replace older higher emitting engines that are exceeding the 200 hours/year on a frequent basis (chronic exceedances)
 - Areas to explore are age and emissions of the engine, number of hours beyond the 200 hours limit, and frequency of exceeding the 200 hours/year (i.e. exceeded 200 hrs. multiple years in a row)
 - Any replacement schedule would be technically and economically feasible and make allowances for economic hardship.

South Coast Administrative Proposal Summary Provided to ACWA

- This rule change would provide certainty for critical facilities before any exceedance, and the variance process would remain a viable option.

Proposed Amendments to Rule 1470 to Address Testing and Maintenance Hours

Overview: Rule 1470 establishes annual limits on testing and maintenance hours. Engines with a PM emission rate > 0.4 g/bhp-hr are limited to 20 hours per year. The cleaner the engine, the more testing and maintenance hours are allowed. Rule 1470 implements and mirrors CARB's statewide Air Toxics Control Measure (ATCM) for diesel engines and must be as stringent or more stringent than the ATCM per statute.

- Concept for Proposed Amended Rule 1470:
 - Add an **optional** provision that would allow an additional 10 testing and maintenance hours per year, in exchange for establishing a schedule for replacing the dirtier engine. If the current rule testing limits are met, no replacement would be required.
 - Staff is considering a replacement schedule of approximately 5 years
 - Through the rulemaking process staff will discuss additional time for engine replacements that may be allowed depending on the age of the engine, tier, and number of engines that need to be replaced at a particular agency or facility
- South Coast AQMD staff will work with CARB to demonstrate that Rule 1470 will achieve the same or greater reductions as the state ATCM because the older higher emitting engine will be replaced with a much cleaner engine
 - This approach, if approved by CARB, will not require CARB to modify the state ATCM for diesel engines
- For replacement schedules, South Coast AQMD will use its best efforts to develop offramps for economic and technical feasibility along with economic hardship considerations.
- South Coast AQMD is committed to exploring how existing incentive programs could be used to offset costs.


Takeaway Points

- South Coast AQMD Rule concepts are designed to address stakeholder concerns, provide certainty and flexibility, be health protective, and satisfy state and federal requirements
- Once adopted by Governing Board, provides certainty because provisions are established upfront. No risk that there are additional conditions added by the Hearing Board
- Lower cost, faster and simpler approach:
 - Simple Notice needed for Rule 1110.2
 - No Hearing Board fees
 - No attorney fees
 - No time needed to prepare or to appear in front of the Hearing Board
 - Staff is considering the same excess emission fees that could be assessed by the Hearing Board through the variance process, but will be further discussed through the rulemaking
- For Rule 1470, provides a creative alternative to the mandated statewide ATCM limits
- Hearing Board is the back-up
 - If there are any issues with adopted/amended rules, operators can still go to the Hearing Board for variances or emergency variances.



Board of Directors Staff Report

To: TVMWD Board of Directors

From: Matthew H. Litchfield, General Manager 

Date: October 7, 2020

Subject: **Resolution No. 20-10-DRAFT of the Three Valleys Municipal Water District in Support of the Chino Basin Watermaster Optimum Basin Management Program**

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	<input type="checkbox"/> Funds Budgeted
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Cost Estimate:	

Staff Recommendation:

No Action Necessary – Informational Item Only.

Background:

The Chino Groundwater Basin is a vital resource for TVMWD member agencies as well as member agencies of the Inland Empire Utilities Agency (“IEUA”) and Western Municipal Water District (“WMWD”). Over the past 20 years, the Parties to the Chino Basin Judgement have collaborated on the development and implementation of the Optimum Basin Management Program (“OBMP”) which has enabled the region to manage the Chino Groundwater Basin to guarantee a reliable water supply for the benefit of the regional economy.

It is common knowledge that the Chino Basin region has experienced rapid economic and population growth during times of extreme drought period in the last decade. Through the collaborative efforts of the Parties to the Judgment and work of the Chino Basin Watermaster (“Watermaster”), the scientific understanding of the Chino Basin has improved significantly over the past 20 years. Furthermore, since imported water supplies to the region have become scarcer over time, the importance of the OBMP as a planning document guiding the management of the Chino Basin has become even more paramount. The Chino Groundwater Basin region faces many challenges to address with the goals of (1) enhancing Basin water supplies; (2) protecting and enhancing water quality; (3) enhancing management of the Basin; and (4) equitably financing the OBMP.

To date, Chino Basin Watermaster staff and all Chino Basin Parties have worked on the OBMP update for over a year and half. The OBMP update is complete and will be the document utilized by all stakeholders that rely on the Chino Basin to meet their respective needs and solve challenges.

The draft resolution is attached as **Exhibit A**. Staff will bring the final resolution to the Board on October 21, 2020 for consideration and approval if the Board so desires. Mr. Peter Kavounas, General Manager of the Chino Basin Watermaster, will provide a brief presentation to the Board regarding this informational item.

Strategic Plan Objective(s):

- 1.1 – Secure water supplies that exceed the estimated annual demands by 10%
- 1.3 – Maintain diverse sources of water supplies and storage
- 3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – Resolution No. 20-10-DRAFT

Meeting History:

Board of Director's Meeting – June 19, 2019, Action Item

NA/ML

RESOLUTION NO. 20-10-DRAFT

**A Resolution of the Board of Directors of Three Valleys Municipal Water District
in Support of the Adoption of the 2020 Chino Basin Optimum Basin Management Program**

WHEREAS, the Three Valleys Municipal Water District was created in 1950 with the objective to provide clean, safe and reliable water to the community it serves.

WHEREAS, the Community that Three Valleys MWD serves depends on Clean, Safe and Reliable water to sustain economic development, foster a healthy community and preserve the environment for future generations.

WHEREAS, Three Valleys MWD's Water Portfolio relies in a combination of surface, groundwater and recycled water to satisfy the demands of the region.

WHEREAS, a reliable water supply is a necessary element for growth, economic development and prosperity, and according to state laws must be verified before new development is approved; and

WHEREAS, a safe water supply ensures the daily wellbeing and health of the community Three Valleys MWD serves, by providing water that is safe to drink, cook, bathe in, and use for all other human necessities.

WHEREAS, a clean water supply helps preserve the environmental health of our Community, by ensuring there are adequate resources to meet environmental needs such as habitat for fish and birds.

WHEREAS, groundwater is an essential part of such portfolio since it is local and less dependent of temporal and seasonal variations.

WHEREAS, the Chino Groundwater Basin is a vital resource for achieving Three Valleys MWD's mission of providing clean, safe and reliable water.

WHEREAS, the Parties to the Chino Basin Judgment have collaborated on the development and implementation of the Optimum Basin Management Program ("OBMP") for the past 20 years.

WHEREAS, the OBMP has enabled the region to manage the Chino Groundwater Basin to guarantee a reliable water supply for the buoyant economy of the area.

WHEREAS, the Chino Basin region has experienced rapid economic and population growth.

WHEREAS, the scientific understanding of the Chino Basin has improved significantly.

WHEREAS, the imported water supplies to the region have become more scarce over time for a number of reasons.

WHEREAS, the OBMP is a planning document that has guided the management of the Chino Basin through the challenges facing the region for the past 20 years, with the goals of [1] enhance Basin water supplies; [2] protect and enhance water quality; [3] enhance management of the Basin; and [4] equitably finance the OBMP; and has been implemented over the same time to enhance the reliability of groundwater resources.

WHEREAS, the region now faces new challenges and, while the goals of the OBMP remain the same, there is a need to reconsider the implementation activities.

WHEREAS, the region has experienced unprecedented economic growth, the surface water supplies are becoming less reliable, seasonal variability is becoming more extreme, and there are new emerging constituents that degrade groundwater quality.

WHEREAS, the Chino Basin Watermaster conducted a process to gather stakeholder input that was comprised of eight Listening Sessions, multiple Storage Management Workshops, multiple rounds of comments and responses to the written materials produced throughout the process.

WHEREAS, the 2020 Optimum Basin Management Program will be the planning document that the parties will rely on to develop an Implementation Plan.

WHEREAS, the 2020 OBMP Implementation Plan will be the document where all stakeholders that rely on the Chino Basin to meet their needs will collaborate to solve the challenges aforementioned.

WHEREAS, the Board of Directors of Three Valleys Municipal Water District passed the Resolution 19-06-861 in support of the development and timely completion of the 2020 OBMP.

Now therefore let it be resolved that the Board of Directors of Three Valleys Municipal Water District fully support the Chino Basin Watermaster Board's adoption of the 2020 Optimum Basin Management Program.

Let it be further resolved that the Board of Directors of Three Valleys Municipal Water District considers the timely adoption of the 2020 Optimum Basin Management Program critical to the future development of the region and encourages its members agency to timely develop an Implementation Plan that will allow the parties to meet the challenges facing the region.

Item 7.B - Exhibit A

ADOPTED and PASSED at a meeting of the Three Valleys Municipal Water District's Board of Directors held via teleconference, on this 21st day of October by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Bob G. Kuhn
President


ATTEST:

Carlos Goytia
Secretary

SEAL:



Board of Directors Staff Report

To: TVMWD Board of Directors
From: Matthew H. Litchfield, General Manager 
Date: October 7, 2020
Subject: Purchasing Policy Update

<input type="checkbox"/> For Action	<input type="checkbox"/> Fiscal Impact	\$
<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Funds Budgeted:	

Staff Recommendation:

No Action Necessary – Informational Item Only

Discussion:

To keep up with the changing times, staff has revised TVMWD Purchasing Policy (attached) to provide for the submission of bids and proposals by electronic means. There are no other changes at this time.

Staff will bring this item back to the Board for consideration on October 21, 2020.

Strategic Plan Objective(s):

3.3 – Be accountable and transparent with major decisions

Attachment(s):

Exhibit A – TVMWD Purchasing Policy

Meeting History:

None

NA/JL

Three Valleys Municipal Water District Purchasing Policy

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DRAFT

PURCHASING POLICY SUMMARY

GENERAL PURCHASES	<u><\$25,000</u>	<u>\$25,000-\$75,000</u>	<u>>\$75,000</u>
APPROVAL	Department Head or GM	General Manager	Board
PO REQUIRED	No	Yes	Yes
NOTICE REQUIREMENT			
-General Supplies, Materials and Equipment	None	None	Newspaper
-Proprietary Equipment	None	None	None
-General Trade Services	None	None	Newspaper
-Professional Services	None	None	Newspaper suggested
COMPETITIVE OFFER REQUIREMENT			
-General Supplies, Materials and Equipment	None	Informal Quotes	Formal Bidding
-Proprietary Equipment	None	Informal Product Review	Formal Product Review
-General Trade Services	None	Informal Quotes	Formal Bidding
-Professional Services	None	Informal Proposals	RFP/RFQ's
SELECTION			
-General Supplies, Materials and Equipment	Department Discretion	Best Value Procurement	Best Value Procurement
-Proprietary Equipment	Department Discretion	Top Ranked Product	Top Ranked Product
-General Trade Services	Department Discretion	Best Value Procurement	Best Value Procurement
-Professional Services	Department Discretion	Top Ranked Provider	Top Ranked Provider

PUBLIC PROJECTS	<u><\$60,000</u>	<u>\$60,000-\$200,000</u>	<u>>\$200,000</u>
APPROVAL	General Manager	General Manager	Board
PO REQUIRED	Yes	Yes	Yes
NOTICE REQUIREMENT	None	Contractors and/or Trade Journals	Newspaper and Trade Journals
COMPETITIVE OFFER REQUIREMENT	None	Informal Bid per CPCC*	Formal Bid per CPCC*
SELECTION	General Manager	Lowest Responsive/Responsible Bidder	Lowest Responsive/Responsible Bidder

*CPCC - California Public Contract Code

SECTION A - GENERAL

1) Definitions

- a) Best value procurement - shall mean to award based on the best overall value to TVMWD considering: ability, capacity, and skill; ability to meet time requirements; character, integrity, and reputation; financial resources available for contract performance; previous vendor experience; price; and warranty or other documented considerations offered.
- b) Top ranked provider - shall mean to award based on a Committee's ranking of the good or service as being the best solution for TVMWD where cost is not considered the primary selection criteria.
- c) Lowest responsible bidder - Bidder with the lowest price, and whose business and financial capabilities, past performance and reputation meet the required standards.
- d) Lowest responsive bidder - Bidder with the lowest price, and conforms in all material respects to the terms and conditions, specifications and other requirements requested.
- e) Single Source - a procurement where there is a compelling reason for only a preferred brand. Examples would be standardization, time schedule, technical expertise, follow-up on work to existing contract, etc.
- f) Sole Source - a procurement where only one viable source exists. Examples of reasons could be legal restrictions of patent rights, warranty issues, original equipment manufacturer, copyrights, etc.
- g) Emergency - an event which adversely affects the ability of TVMWD to carry out its functions, or puts TVMWD personnel or property in jeopardy, or which jeopardizes the health or safety of the community and its residents.
- h) Quote - a simple, brief offer to provide a good or service at a specific price.
- i) Proposal - a comprehensive offer to provide a good or service at a specific price.
- j) Bid - an offer to provide a good or service at a specific price in response to a formal bid form.
- k) Contract - written agreement between the seller and buyer to sell and purchase a good or service.
- l) RFQ/RFP - Request for Quote / Request for Proposal

- 2) General Provisions - The basic purchasing policy of TVMWD is to obtain quality goods and services for operation at the lowest possible overall cost. This includes maintaining a purchasing system that ensures maximum use of fair and open competition and receipt of the best value for funds available, consistent with applicable laws and regulations. The purchasing functions are decentralized, with each Department responsible for compliance with TVMWD policies and procedures. Purchasing responsibility and authority shall be delegated to the lowest possible level consistent with good business practice and sound financial management policy.

The following apply to all purchases made by TVMWD:

- a) No purchase will be approved or undertaken unless an appropriation has been established, either through the adopted annual budget or Board approval of additional appropriations. It is the responsibility of the Department Head to maintain control of their individual budgets.
- b) All purchases shall be of the quality deemed necessary to suit the intended purpose.
- c) Competitive offer requirements are set out in subsequent sections of this policy and are established based on type of purchase and/or established dollar limits.
- d) Purchases shall not be split to avoid required procedures or established dollar limits. Purchases of like items or services will be considered on an annual basis.
- e) The emergency purchase of goods is authorized under certain conditions.
- f) No purchase over \$25,000 shall be made without an authorized Purchase Order (PO) unless exempted in these guidelines. Otherwise such purchases are void and not considered an obligation of TVMWD.
- g) No TVMWD employee or Board member shall have a direct or indirect financial interest in any contract or purchase of goods or services entered into by TVMWD, or shall derive any personal benefit from TVMWD's purchase of goods or services.
- h) No TVMWD employee or Board member shall use the purchasing procedures to obtain property for personal use or by misrepresenting that personal purchases are for TVMWD (i.e., for the purpose of obtaining price discounts).
- i) No TVMWD employee or Board member shall draft or cause to be drafted any specifications for bids in such a way as to intentionally limit the bidding directly or indirectly to any one bidder, except for a sole source or single source procurement.
- j) The bid process obligates vendors to disclose any material financial relationship they may have or may have had with a TVMWD Board member or employee.
- k) Any TVMWD employee or Board member failing to follow the purchasing policy and procedures may incur personal liability or financial obligation to the vendor.

SECTION A - GENERAL (cont.)

- 3) Federal, State and Other Grant Programs - Federal, State, or grant programs may require special conditions that are more stringent than TVMWD procedures. It is the responsibility of the Department accepting the grant to ensure that all grant provisions are complied with.
- 4) Exceptions to Competitive Offer Requirements
- a) The informal offers and the formal bidding process may be bypassed with GM approval in the following instances:
 - i) In emergency situations where time is of the essence.
 - ii) Where a single source or sole source purchase is justified.
 - iii) When there exists other governmental contracts that were competitively bid (such as State Contracts, DGS, etc.) that TVMWD is eligible to use.
 - iv) When an item has been bid within the last 36 months and the price has not changed.
 - v) When purchasing goods with significant market fluctuations (such as chemicals), wherein requiring a guaranteed price for a year would actually cost TVMWD more.
 - vi) When it is neither practical nor cost effective to continue soliciting offers until three are received.
 - b) Certain purchases are unique in nature and do not lend themselves to the process of competitive offers. Therefore, these items do not require competitive offers or PO's as listed in Sections B through F. These items include, but are not limited to, water or water rights, debt service payments, real property and ongoing expenses for utility services (electricity, gas, telecommunications, etc.).
- 5) Department Responsibilities - It is the responsibility of the acquiring Department to:
- a) Make purchases in accordance with established policies and procedures.
 - b) Verify that an appropriation is available for the purchase.
 - c) Anticipate the Departments' needs in advance to minimize the need for emergency purchases.
 - d) Review goods and services received to ensure conformity with PO or contract.
 - e) No invoice should be processed for payment when the goods or services are unsatisfactory or there is a price discrepancy from the price originally offered. Please resolve the issue prior to payment.
- 6) Payment Authorization - An authorized signature on the invoice, receipt or other backup shall be considered authorization for payment. The signature shall indicate that the signer has:
- a) Verified that TVMWD has received the goods or services in good working condition.
 - b) Verified that the purchase complies with this purchasing policy and that funds are available for the purchase.
- 7) Signature Authorization - Each Department Head will be responsible for signing off on various financial and other administrative documents.
- a) All Departments - General Manager/Chief Engineer (GM)
 - b) Water Resources – Chief Water Resources Officer
 - c) Administration – Chief Administrative Officer
 - d) Finance - Chief Finance Officer (CFO)
 - e) Operations – Chief Operations Officer
- 8) Contract and Purchase Order
- a) If needed, contracts shall be prepared and original copies signed by the vendor and the Department Head or GM.
 - b) A PO shall be prepared detailing the vendor name, address, goods or services being purchased, total price including tax and shipping, and budget account to be charged. The PO packet shall contain the PO and any supporting documentation (contract, proposals, quotes, etc.).
 - c) The PO packet shall then be reviewed by the CFO for conformity to the purchasing policy and availability of funds.
 - d) The PO packet shall then be submitted to the Department Head or GM for final approval.
- 9) Execution - Once the Department has received the approved PO (and original contract, if necessary), they may contact the vendor to purchase the goods or begin the services. Goods must generally be shipped to TVMWD address. If the goods will be shipped to an alternate location, this should be cleared with the GM in advance.

Item 7.C - Exhibit A

SECTION B - GENERAL SUPPLIES, MATERIALS AND EQUIPMENT

- 1) Purpose - Provide guidelines for the purchase of general supplies, materials and equipment. General supplies, materials and equipment shall consist of any and all tangible items necessary for day-to-day operations, excluding proprietary equipment and goods (Section C) and any goods purchased as part of a Public Project (Section F). When goods and services are purchased together, this section shall apply if the majority of the purchase is for goods.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. These purchases do not require competitive offers and Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal quotes should be obtained to assure a competitive price is received for an item, while avoiding the additional time and expense involved with formal bidding.
 - a) Informal Quotes - The Department should make every reasonable attempt to obtain at least three written quotes. In the event that three quotes are not received, the Department shall document what steps were taken, any vendors contacted that declined to quote, and if applicable, why it is not practical to receive three quotes. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - b) Evaluation - The Department shall evaluate the informal quotes received and determine the best value procurement. TVMWD reserves the right to accept that quote which is in the best interest of TVMWD.
 - c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Purchases greater than \$75,000 must be awarded by the Board. Formal bidding should be used to assure all possible vendors are given the opportunity to bid on major TVMWD purchases, thereby assuring TVMWD that it has received the most competitive price. The formal process generally takes more time and expense than informal quotes and in some instances may actually not be the most cost-effective approach.
 - a) Formal Bidding
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the item to be purchased. The following format is suggested for competitive bids:
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - ii) Notice Inviting Bids - The Department shall also prepare a notice inviting bids that includes the following:
 - (1) A general description of the item to be purchased.
 - (2) A statement indicating where bid forms and specifications can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least ten days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD. The notice may also be sent to all applicable vendors.

SECTION B - GENERAL SUPPLIES, MATERIALS AND EQUIPMENT (cont.)

iii) Bid Opening

- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
 - (2) Respondents may modify or withdraw their bids prior to the established closing date and time without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - (3) Bids shall be opened in public at the time and place stated in the public notice.
 - (4) The GM or his/her designee shall open the bids and shall record all bids received.
 - (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
 - (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible and responsive bidder.
 - (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.
- iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.
- v) Evaluation - The Department shall evaluate the formal bids received and determine the best value procurement. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD.
- b) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the best value procurement. The Board shall then award the bid in a public meeting.
- c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change. All other change orders shall be brought to the Board for approval.

Item 7.C - Exhibit A

SECTION C - PROPRIETARY EQUIPMENT AND GOODS

- 1) Purpose - Provide guidelines for the purchase of equipment/software and other artistic goods that may only be purchased through a proprietary vendor. There is no competitive offer requirement for this type of purchase since the item is being purchased based on qualification rather than price. Proprietary vendors are those vendors that directly sell their products and do not use distributors or other outlets.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. Departments are given considerable discretion in these purchases.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. An informal evaluation should be used to assure quality goods are received for a reasonable price.
 - a) Informal Product Review - must be documented to the satisfaction of the GM. Ideal documentation should include:
 - i) The name of the company
 - ii) The person providing the quote
 - iii) Estimated price
 - iv) Pros/Cons of the product
 - v) Brief justification for the selection of the goods
 - b) Review of Three Products - The Department should make every reasonable attempt to review at least three products. In the event that three products are not reviewed, the Department shall document why it is not practical to review alternate products.
 - c) Evaluation - The Department shall select the product which, in their evaluation, is the best solution for TVMWD. TVMWD reserves the right to accept the product which is in the best interest of TVMWD.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Purchases greater than \$75,000 must be awarded by the Board. A more formal evaluation should be used, thereby assuring TVMWD that it has purchased the best product fit for TVMWD. The formal process generally takes more time and expense than informal offers and in some instances may actually not be the most cost-effective approach.
 - a) Formal Product Review - To ensure maximum exposure and competition, the responsible Department shall prepare a list of potential companies from which to solicit quotes. A Selection Committee shall be formed to evaluate the submitted data and determine the products that should receive further consideration. The Committee shall be appointed by the Department Head, subject to the approval of the GM, and may consist of more than one Department.
 - b) Evaluation - Because unique products are requested, cost is not considered the primary selection criteria.
 - i) A Selection Committee shall be formed to evaluate the submitted quotes and determine the products that should receive further consideration. The Committee shall be appointed by the GM.
 - ii) The Selection Committee may choose to interview all the responding companies, only the top ranking companies, or to not perform interviews.
 - iii) The Selection Committee may also choose to view demonstrations of all the products, only the top ranking products, or to not view demonstrations.
 - iv) After the interviews and demonstrations (if applicable), the Selection Committee shall rank the products accordingly, based on their evaluation, as to the best solution for TVMWD.
 - c) Awarding - The Department Head shall prepare a report to the Board recommending the top ranked product. The Board shall then award the purchase in a public meeting.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change in price. All other change orders shall be brought to the Board for approval.

SECTION D - GENERAL TRADE SERVICES

- 1) Purpose - Provide guidelines for the purchase of trade contractual services. Trade services shall mean the repair, rental or maintenance of equipment, machinery, and other TVMWD-owned or operated property. Included within this term are services necessary for the routine operation, repair or maintenance of existing buildings or improvements. The term does not include services rendered by professionals and other services which are unique in nature and not subject to competition. When goods and services are purchased together, this section shall apply if the majority of the purchase is for services.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. These purchases do not require competitive offers and Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Trade services greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal quotes should be used to assure the most competitive price is received for an item, while avoiding the additional time and expense involved in formal offers.
 - a) Informal Quote - The Department should make every reasonable attempt to obtain at least three written quotes. In the event that three quotes are not received, the Department shall document what steps were taken, any vendors contacted that declined to quote, and if applicable, why it is not practical to receive three quotes. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - b) Evaluation - The Department shall evaluate the informal quotes received and determine the best value procurement. TVMWD reserves the right to accept that quote which is in the best interest of TVMWD.
 - c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Trade services greater than \$75,000 must be awarded by the Board. Formal bidding should be used to assure all possible contractors/service providers are given the opportunity to bid on major TVMWD purchases, thereby assuring TVMWD that it has received the most competitive price. The formal process generally takes more time and expense than informal bidding and in some instances may actually not be the most cost-effective approach.
 - a) Formal Offer
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications of the services to be performed. The following format is suggested for competitive bids
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
 - ii) Notice Inviting Bids - The Department shall also prepare a notice inviting bids that includes the following:
 - (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms and specifications can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least ten days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD. The notice may also be sent to all applicable contractor/service providers.

SECTION D - GENERAL TRADE SERVICES (cont.)

iii) Bid Opening

- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsible and responsive bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.

v) Evaluation - The Department shall evaluate the formal bids received and determine the best value procurement. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD.

b) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the best value procurement. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original purchase that are less than a 20% aggregate change. All other change orders shall be brought to the Board for approval.

5) Renewals - Contracts for ongoing services may include annual renewal provisions for up to five years. Cost increases related to such renewals shall not exceed the Consumer Price Index (CPI) adjustments unless approved in advance.

SECTION E - PROFESSIONAL SERVICES

- 1) Purpose - Provide guidelines for the purchase of professional services. Professional services are those activities performed by a consultant who possesses a high degree of expertise in a particular profession. This would generally include (but not be limited to) architectural services, accounting/auditing services, environmental services, design services, engineering services, technical services, financial services, legal services, economic services and other administrative services. There is no competitive offer requirement for services since the agent is being hired based on qualifications rather than price.
- 2) Department Award ≤ \$25,000 - The Department Head or GM may authorize purchases \$25,000 or less. Departments are given considerable discretion in these purchases. Use of an RFQ/RFP is encouraged when appropriate but not required.
- 3) General Manager Award > \$25,000 to ≤ \$75,000 - Purchases greater than \$25,000 but \$75,000 or less must be awarded by the GM. Informal proposal should be used to assure quality services are received for a reasonable price. Use of an RFQ/RFP is encouraged when appropriate but not required.
 - a) Informal Proposal - must be documented to the satisfaction of the GM. Ideal documentation should include:
 - i) The name of the company.
 - ii) The person providing the proposal.
 - iii) Estimated price.
 - iv) Understanding of the required scope of services.
 - v) Specialized experience of the firm and its personnel relative to the required services.
 - vi) References who can be contacted to verify past record of performance, (i.e., completion of a quality product in a timely manner and within budget constraints).
 - vii) The capacity of the firm to perform the subject project within a required timeframe.
 - viii) Pros/Cons of the proposal.
 - ix) Brief justification for the selection of the services.
 - b) Review of Three Proposals - The Department should make every reasonable attempt to obtain at least three written proposals. In the event that three proposals cannot be provided, the Department shall document why it is not practical to continue soliciting proposals.
 - c) Evaluation - The Department shall select the provider which, in their evaluation, is the best solution for TVMWD. TVMWD reserves the right to accept that proposal which is in the best interest of TVMWD.
 - d) Change Orders - The GM is authorized to issue change orders for changes or additions to the scope of services that result in an overall amount up to \$75,000. All other change orders shall be brought to the Board for approval.
- 4) Board Award > \$75,000 - Services greater than \$75,000 must be awarded by the Board. A Formal RFP process should be used, thereby assuring TVMWD that it has engaged the most qualified consultant available for the engagement. The formal process generally takes more time and expense than informal offers of qualifications and in some instances may actually not be the most cost-effective approach. A request for qualifications can be used when the scope of work is broadly defined. This method is used for either making an award to the most qualified provider or for pre-qualifying potential respondents for a subsequent competitive offer.
 - a) Request for Proposal/Qualifications - Because these requests ask for a subjective product, they should contain the greatest detail possible, and may include the following:
 - i) A precise description of the problem, objective or service required.
 - ii) The services to be performed and/or product to be provided.
 - iii) Time schedule requirements.
 - iv) Evaluation factors and the relative importance of each.
 - v) Expectations and/or limitations on the part of TVMWD.
 - vi) Expected content.
 - vii) Contractual requirements.
 - viii) Requests for construction project management services may require evidence provided of experience in construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

SECTION E - PROFESSIONAL SERVICES (cont.)

- b) Issuing the Request
- i) To ensure maximum exposure and competition, the responsible Department shall prepare a list of potential firms to receive the request.
 - ii) If required or desired, the responsible Department will submit the request to be advertised in a local newspaper of general circulation. Additional advertisements may be placed in a regional newspaper of general circulation; appropriate professional or trade journals; and state or governmental publications designed for public notice.
 - iii) A reasonable length of time between offering/advertising and closing dates must be allowed to provide potential respondents time for preparation in accordance with the complexity, the size of the project, and the scope of advertising.
 - iv) TVMWD staff may conduct conferences to explain the requirements of the project. A sufficient amount of time should be allowed after the request has been issued to allow potential respondents to become familiar with the project. Any clarification or changes required to the request, as a result of the conference, shall be added as a written amendment. A summary of the conference shall be provided to all prospective respondents receiving the request.
 - v) The requesting Department shall prepare sufficient copies of the request to allow distribution to potential respondents of record and responses to the published advertisements. In addition, the Department shall maintain a list of requests issued and responses.
- c) Proposal Opening
- i) Proposals shall be submitted by paper or electronically to TVMWD office, time stamped when received, and shall be clearly identified with the proposal number on the envelope or subject line of the email. Faxed ~~or other electronic~~ proposals are not acceptable.
 - ii) Respondents may modify or withdraw their proposals prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - iii) Any proposal received after the time specified in the request shall be returned to the respondent, unopened.
 - iv) To avoid disclosure of the contents of competing requests, proposals will be opened in the presence of the GM or his/her designee and the Department Head requesting the proposals.
 - v) TVMWD office shall maintain a list of proposals received, including name and address of respondent, the number of modifications received, if any, and any additional information requested. The register will be open to inspection after the award of the contract or the rejection of all proposals.
 - vi) Proposals and modifications shall be shown only to the evaluation committee personnel, the GM or his/her designee, and the Department Head until a recommendation is made to the Board or all proposals have been rejected.
- d) Evaluation - Because unique services are requested, cost is not considered the primary selection criteria.
- i) A Selection Committee shall be formed to evaluate the submitted quotes and determine the products that should receive further consideration. The Committee shall be appointed by the GM.
 - ii) The Selection Committee may choose to interview all the responding companies, only the top ranking companies, or to not perform interviews.
 - iii) After the interviews (if applicable), the Selection Committee shall rank the companies accordingly, based on their evaluation, as to the best solution for TVMWD.
- e) Awarding - The Department Head shall prepare a report to the Board recommending the top ranked provider. The Board shall then award the purchase in a public meeting.
- f) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that are less than a 20% aggregate change in price. All other change orders shall be brought to the Board for approval.
- 5) Renewals - Contracts for ongoing services may include annual renewal provisions for up to five years. Cost increases related to such renewals shall not exceed the Consumer Price Index (CPI) adjustments unless approved in advance.

SECTION F - PUBLIC PROJECTS

- 1) Purpose - Provide guidelines for public project procurement. **Public project is defined as:**
- a) Construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any facility owned, leased, or operated by TVMWD.
 - b) Painting or repainting any facility owned, leased or operated by TVMWD.
 - c) Construction, erection, improvement, or repair of dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher that are owned by TVMWD.
 - d) A public project **does not** include maintenance work. Maintenance work includes all of the following:
 - i) Routine, recurring, and usual work for the preservation or protection of facilities owned or operated by TVMWD.
 - ii) Minor repainting.
 - iii) Street and highways resurfacing at less than one inch (1") deep.
 - iv) Landscape maintenance (mowing, watering, trimming, planting, and servicing of irrigation systems).
- 2) Policy - It is TVMWD's policy to follow the Uniform Construction Cost Accounting Procedures for all Public Projects, as set forth in the Public Contract Code. It is also TVMWD's policy to adopt the purchasing limits and policies as set forth in Public Contract Code Sections 22030 to 22045. TVMWD's policy is also to adhere to California Prevailing Wage Law on all public works construction projects exceeding \$1,000. Consult Finance staff for Federally funded projects.

California Prevailing Wage Law – prevailing wage is defined as a minimum wage requirement for public works projects. State prevailing wage rates apply to all public works contracts as set forth in Labor Code Sections 1720, et. seq., and include, but are not limited to such types of work performed under contract as construction, modernization, alteration, demolition, installation, or repair.

- a) The Office of Policy, Research and Legislation (OPRL) predetermines the appropriate prevailing wage rates for particular construction trades and crafts by county.
- b) A contractor or subcontractor may not pay less than the prevailing wage rate (includes wages and benefits).
- c) The correct wage determination for a project is to be provided by the Awarding Agency and should be included in project specifications and available during the bid process.
- d) The date of the first bid advertisement determines which prevailing wage determination is used.
- e) Contractors and subcontractors must employ registered apprentices on public works projects (Labor Code Section 1777.5).

California Public Works Contractors Registration – Contractors and subcontractors must register with DIR for all public works projects. This program will fund DIR's monitoring and enforcement of prevailing wage laws. All public works projects with bids submitted after March 1, 2015, or awarded on or after April 1, 2015, may use only registered contractors and subcontractors.

- a) TVMWD is required to include notice of the registration requirement in bid invitations and bid documents.
- b) TVMWD must file notice of their public works project with DIR form PWC-100 (www.dir.ca.gov/pwc100).
- c) Contractors and subcontractors will be required to submit certified payroll records to the Labor Commissioner.

- 3) General Manager Award Level I ≤ \$60,000 - Public Projects contracts \$60,000 (per limit established by Public Contract Code Section 22032) or less must be awarded by the GM. The Department Head may recommend a contractor without using competitive offer, however a PO and approval by the GM is required for these purchases. The Department Head may also elect to perform the project using employees of TVMWD by force account.
- a) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that result in less than \$60,000 annual contract amount. All other change orders shall be brought to the Board for approval.

SECTION F - PUBLIC PROJECTS (cont.)

- 4) General Manager Award Level II > \$60,000 to ≤ \$200,000 - Public Projects contracts greater than \$60,000 but \$200,000 (per limit established by Public Contract Code Section 22032) or less may be let to contract by the informal bid process set forth in this policy.
- a) Informal Bids - TVMWD shall solicit informal bids in accordance with Public Contract Code Sections 22034-22036.
- i) List of Qualified Contractors - TVMWD shall maintain a list of qualified contractors, identified according to categories of work as specified in Public Contract Code Section 22034.
- ii) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the item to be purchased. The following format is suggested for competitive bids:
- (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
- iii) Notice Inviting Bids - The initiating Department shall also prepare a notice inviting bids detailing the following:
- (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms, specifications and bonding requirements can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The notice shall be mailed at least ten (10) calendar days before the date of opening the bids to:
 - (a) All qualified contractors on the list for the category of work to be performed OR
 - (b) All construction trade journals specified in Section 22036 of the Public Contract Code OR
 - (c) Both all contractors and all trade journals
- iv) Bid Opening
- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
 - (2) Respondents may modify or withdraw their bids prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
 - (3) Bids shall be opened in public at the time and place stated in the public notice.
 - (4) The GM or his/her designee shall open the bids and shall record all bids received.
 - (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
 - (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.
 - (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

SECTION F - PUBLIC PROJECTS (cont.)

- v) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD.
- vi) Evaluation - The Department shall evaluate the formal bids. All valid bids shall be considered in determining award of bid to the lowest responsive and responsible bidder. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD. When selecting the recommended bidder the Department Head will take into consideration:
 - (1) Price.
 - (2) Ability, capacity, and skill.
 - (3) Ability to meet time requirements.
 - (4) Character, integrity, and reputation.
 - (5) Previous vendor experience.
 - (6) Financial resources available for contract performance.
 - (7) Ability to provide future maintenance and service, if necessary.
- b) Tie Bids - If tie bids are received, quality and service being equal, TVMWD may, at its discretion:
 - i) Reject any and all bids presented and re-advertise; or
 - ii) Accept either one or accept the lowest bid made by negotiation with the tie bidders; or
 - iii) Award the bid to any one of the low tie bidders by public drawing.
- c) Awarding - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the lowest responsible and responsive bidder. The GM shall then award the bid.
- d) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that results an overall amount up to \$200,000. All other change orders shall be brought to the Board for approval.
- 5) Board Award > \$200,000 - Public Projects exceeding \$200,000 (per limit established by Public Contract Code Section 22032) must be formally bid and awarded by the Board in accordance with Public Contract Code Sections 22037 to 22044.
 - a) Formal Bids - TVMWD shall solicit formal bids in accordance with Public Contract Code Sections 22037-22044.
 - i) Bid Forms - The initiating Department shall prepare a bid form including detailed specifications for the services to be performed. The following format is suggested for competitive bids:
 - (1) Submission of bids - Include date, time, location, bid number and a detailed list of the information the bid should contain.
 - (2) Questions - List the name, address, and telephone number of the person to be contacted concerning questions about the project.
 - (3) Background - Provide as much background as necessary to give the bidder an understanding of the environment in which the job will be performed and to which the job relates.
 - (4) Scope of work - Describe in detail the requirement for the job and detail specification.
 - (5) Desired project schedule - Be as specific as possible.
 - (6) Minimum and desirable qualifications - Be as specific as possible.
 - (7) Performance Bond - Whether a performance bond is required & the amount and form of bidders security.
 - (8) Sample Contract - A sample of the contract expected to be used should be included in the bid package.
 - ii) Notice Inviting Bids - The initiating Department shall also prepare a notice inviting bids detailing the following:
 - (1) A general description of the services to be performed.
 - (2) A statement indicating where bid forms, specifications and bonding requirements can be obtained.
 - (3) A statement specifying the time and place for the opening of the bid.
 - (4) The first publication of the notice shall be at least fourteen (14) days before the date of opening the bids. The notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in TVMWD.
 - (5) The notice shall also be sent (mailed, faxed or e-mailed) to all construction trade journals specified in Section 22036 of the Public Contract Code. The notices shall be mailed at least fifteen (15) calendar days before the date of opening the bids.

SECTION F - PUBLIC PROJECTS (cont.)

iii) Bid Opening

- (1) Sealed or electronic bids shall be submitted to TVMWD office, time stamped when received, and shall be clearly identified with the bid number on the envelope or subject line of the email. Faxed ~~or other electronic~~ bids are not acceptable.
- (2) Respondents may modify or withdraw their bids prior to the established closing date and time, without penalty. However, any modifications submitted after the established closing date and time will not be accepted. Such modifications will be returned to the respondent, unopened.
- (3) Bids shall be opened in public at the time and place stated in the public notice.
- (4) The GM or his/her designee shall open the bids and shall record all bids received.
- (5) Any bid received after the time specified in the notice shall be returned to the respondent, unopened.
- (6) When a bidder's security is required, it will be announced in the public notice inviting bids. The amount shall be determined at the time of preparation of the bid. It shall be in the form of cash, certified or cashier's check, certificate of deposit in TVMWD's name, or bid bond made payable to TVMWD. When a bidder's security is required, a bid shall not be considered unless one of the aforementioned forms of security accompanies the bid. Bidders shall be entitled to return of the bid security with the following exception:
 - (a) The successful bidder must execute the contract and file acceptable documents within thirty (30) calendar days from the date of award unless extended by the GM. Failure to execute the contract shall be just cause for annulment of the award and forfeiture of the bidder's security, not as a penalty, but as liquidated damages. The Board may, upon refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest responsive and responsible bidder.
- (7) All bids received shall be available for inspection during regular business hours in TVMWD office for a period of not less than thirty (30) calendar days after the bid opening.

iv) Rejection of Bids - TVMWD reserves the right to reject any and all bids, to accept or reject any one or more items of a bid, or to waive any irregularities or informalities in the bids or the bidding process if it is deemed in the best interests of TVMWD. If after the first invitation of bids all bids are rejected, TVMWD may elect to re-advertise for bids or have the project done by force account. (See Section 22038 of the Public Contract Code for Procedures and limitations)

v) Evaluation - The Department shall evaluate the formal bids. All valid bids shall be considered in determining award of bid to the lowest responsive and responsible bidder. TVMWD reserves the right to accept that bid which is in the best interest of TVMWD. When selecting the recommended bidder the Department Head will take into consideration:

- (1) Price.
- (2) Ability, capacity, and skill.
- (3) Ability to meet time requirements.
- (4) Character, integrity, and reputation.
- (5) Previous vendor experience.
- (6) Financial resources available for contract performance.
- (7) Ability to provide future maintenance and service, if necessary.

b) Award - Once the bids have been evaluated, the Department Head shall prepare a report to the Board recommending the lowest responsible and responsive bidder. The Board shall then award the bid in a public meeting.

c) Change Orders - The GM is authorized to issue change orders for changes or additions to the original scope of services that results in less than a 20% aggregate change in the contract price. All other change orders shall be brought to the Board for approval.