

MEMORANDUM

TO: Governing Board Members

FROM: Douglas Bergstrom, Director, Administrative Services Division

DATE: August 9, 2012

SUBJECT: Procurement Policy Revisions

Background:

As part of consistency efforts, staff has reviewed and compared competition thresholds across water management districts. As a result, staff is proposing to lower some of the competition thresholds. In addition, a number of changes have been identified to eliminate redundancy, and refine or clarify language for exceptions to competitive solicitation.

Overview of Policy Changes:

The formatting of the policy is inconsistent with some sections using alphabetical identifiers and others using numbers to identify each item. All sections will be identically numbered in the revised Policy. Two items will be moved from Section 5 to other sections of the policy where they more appropriately belong. Two methods of procurement will be added to the list: Requests for Information and Requests for Qualifications, both the first step in a two step solicitation process.

Sections 6 and 7 will be merged to provide a single, comprehensive list of exceptions to competitive solicitation. Two items are proposed to be added: renewal of maintenance and licensing for proprietary computer software; and services from universities for research, study or training unless more than one institution can provide comparable services.

The competitive dollar thresholds for commodities and contractual services procurements will be revised to establish more consistency among the larger water management districts. The dollar thresholds will be: \$0 to \$10,000 No competition required; > \$10,000 to \$50,000 Verbal Quotes required; > \$50,000 to \$100,000 written quotes required; and for actions more than \$100,000 formal competition required, a reduction from the previous \$150,000 threshold.

The title of Section 7 will be changed to create a separate Emergency Procurement section.

How this helps meet the District's 10-year Strategic Plan:

The change in thresholds is consistent with current procurement practice in that sourcing is occurring well below current thresholds.

Funding Source: Not applicable. There is no cost for these policy changes.

This Board item impacts what areas of the District, both resource areas and geography:

These policy changes will impact all sections of the District.

What concerns could this Board item raise?

If not approved, the District's thresholds will remain higher than other water management districts. Other changes are minor in nature.

Why should the Governing Board approve this item?

The changes add efficiencies, consistency and clarification.

If you have any questions, please do not hesitate to call me at extension 6214.
DLB/dml