



Memorandum

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Reviewed by: Umm Date: 3/12/10
General Manager

DATE: March 12, 2010
TO: General Manager
FROM: Administrative Services Manager
SUBJECT: Revised Purchasing Policy

RECOMMENDATION: That the Board approve revisions to the Purchasing Policy to include increasing the General Manager's procurement limit from \$10,000 to \$30,000 and adding a Code of Ethics section.

BACKGROUND

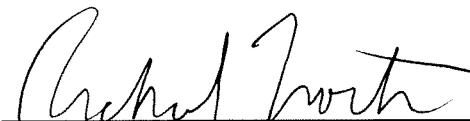
The General Manager's purchasing limit was last updated in July 1991 when it was increased from \$5,000 to \$10,000. At that time, the operating expense budget was \$3.3 million. The current expense budget is \$16.8 million which is over five times more than the 1991 budget.

DISCUSSION

Recently, staff became aware that several local public agencies had significantly higher authorization limits for their General Manager or City Manager than does the District. Inquiries were made and it was confirmed that the District's limit is far below other agencies, as shown in the following table:

General Manager Procurement Limit	
Agency	Amount
Salinas Valley Solid Waste Authority	\$50,000
Monterey Regional Water Pollution Control Agency	\$35,000
City of Monterey	\$30,000
Monterey Salinas Transit	\$25,000
Fort Ord Reuse Authority	\$25,000
Monterey County Water Resources Agency	\$25,000
Monterey Regional Waste Management District	\$10,000

In addition to the increase in the authorization limit, staff has added language to clarify when an emergency purchase would be appropriate as well as local source purchases. A purchasing code of ethics has also been added to highlight the standards which should be followed by staff engaged in the purchasing process. All revisions have been reviewed by District Legal Counsel.


Richard Norton

Attachment

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**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
PURCHASING POLICY
Revised March 2010**

Purchasing Authority

1. The Board of Directors must approve all purchases over ~~\$10,000~~ **\$30,000**, unless the item being considered for purchase is a replacement part on equipment which is vital to the ~~site operations of the disposal site or an emergency purchase, defined as a sudden, unexpected occurrence that poses a clear and imminent liability requiring immediate action to prevent or mitigate the loss or impairment of health, property, or essential public services.~~
2. All purchases of ~~\$10,000~~ **\$30,000** or under must be approved by the General Manager or the ~~District Engineer Assistant General Manager~~, in the absence of the General Manager. Whenever possible practical, 3 informal price quotes will be obtained for any purchase(s) between ~~\$500—\$10,000.~~ **\$1,500 and \$30,000.**

Purchases of supplies and equipment over \$30,000 shall be from the lowest responsible, responsive bidder or proposer except as otherwise provided in this policy unless the Board of Directors has found by resolution that competitive bidding would be unavailing, would not produce an advantage and would not be in the public interest.

3. The Board of Directors must approve any Capital Outlay purchase which is not included in the budget.
- ~~4. Formal bids will not be required unless specified by the Board or required by law~~
4. The General Manager is authorized to sign for all purchases approved by the Board of Directors.
5. Whenever possible practical, bids shall be solicited from businesses located within the District and such businesses shall be given preference when all other purchasing values are equal. ~~purchases will be made within District boundaries.~~

Purchasing Code of Ethics

Every employee of the District should seek to obtain the best value for each dollar expended and uphold the public's trust by processing public purchasing in an open environment. The District has established the following Code of Ethics to be adhered to by all District employees, including the General Manager, who participate in the procurement process:

1. **To uphold and implement policies adopted by the Board of Directors, including the Green Purchasing and Sustainable Practices Policy;**
2. **To procure, without prejudice, the maximum value for each dollar expended, avoiding unfair practices and giving all qualified vendors equal opportunity;**
3. **To exercise prudent judgment, comparative pricing whenever practical;**
4. **To, at no time and under any circumstances, conduct the public's business for private gain, accept gifts, gratuities or other things of value (directly or indirectly from suppliers) which might influence or appear to influence procurement decisions;**
5. **To refrain from knowingly influencing others to commit any act that would constitute a violation of this Code of Ethics.**