

MEMORANDUM

DATE: March 14, 2022
TO: All Employees
FROM: Don Bartz, General Manager
SUBJECT: Purchasing Policy and Procedures

The attached procedures are in compliance with Section 6.E.1 of the Phelan Pinon Hills Community Services District Purchasing Policy and Procedures document, as approved by the Board of Directors with Resolution #2022-05 on February 2, 2022.

Below is a summary of the attached procedure:

- Less than \$500 = no PO Required
- \$500 to \$1,000 = PO + GM's signature
- \$1,000 to \$5,000 = three quotes + PO + GM's signature

Below is a summary of the Purchase Order Policy for purchases exceeding \$5,000:

- \$5,000 to \$15,000 = three written quotes + PO + GM's signature
- \$15,000 to \$25,000 = three formal or informal (per GM's decision) written bids + PO + GM's signature
- \$25,000 & up = three formal bids + PO + GM's signature + Board Approval

If a purchase order is required:

- Create requisition in the computer (Tyler) system: Scan in quotes and related documents
- Obtain appropriate requisition approval (as per above and attached procedure)
- Once the requisition is approved, Accounts Payable will create the Purchase Order
- A copy of the Purchase Order will be distributed to the creator of the requisition (or the creator will obtain a copy from the system)
- Order/purchase item(s)

PHELAN PINON HILLS COMMUNITY SERVICES DISTRICT

Purchasing Policy and Procedures for Purchases Less than \$5,000.

Section 1. OVERVIEW

Purpose

The purpose of this policy is to establish the General Manager's rules of procedures for purchases not to exceed \$5,000.00, as set forth in the District's Purchasing policy and procedures, section 6.E.1.

Section 2. POLICIES

The Board of Directors approved the District Purchasing Policy and Procedures, which is updated from time to time, most recently by resolution #2022-05 on February 2, 2022.

Section 6, Purchasing and Limits for Other Contracts

E) Purchasing Procedures & Policies

1) Purchases – Not to Exceed \$5,000.

Section 6.E.1 requires the General Manager to “establish such rules of procedures for such Purchases as he/she feels necessary to insure against abuse of the public interest”.

The following procedures have been approved by the General Manager of the Phelan Piñon Hills Community Services District to promote uniformity in the procurement of goods and services for the Phelan Piñon Hills Community Services District in accordance with the Purchasing Policy and Procedures, Section 6, set forth and approved by the Board of Directors on February 2, 2022.

Section 3. RESPONSIBILITIES AND PROCEDURES

The General Manager hereby authorizes staff to proceed with the purchase of goods and services, which is reflected in the annual budget of the District, as follows:

- a. Items* which are determined to cost less than \$500.00 may be purchased by an authorized employee of the District with verbal authorization by a supervisor or manager.
- b. Items* which are determined to cost more than \$500.00 and less than \$1,000.00 shall be purchased with a purchase order that has been approved and authorized by the General Manager or his designee.
- c. Items* which are determined to cost more than \$1,000 and less than \$5,000 shall require three (3) quotes and shall be purchased with a purchase order that has been approved and authorized by the General Manager or his designee.
- d. Items* which are education and training related shall be approved and processed by using the District's Travel/Training Request form in lieu of a Purchase Order or other process.

*Items are purchases of individual items or a group of items. “Splitting Purchases” as described in section 2.Q of the Purchasing Policy is strictly prohibited and is subject to major disciplinary action.

If a purchase order is required, the following steps must be taken:

- e. Create the requisition in the computer (Tyler) system. Scan in quotes and related documents to attach to the requisition.
- f. Obtain appropriate requisition approval (as per above and/or purchasing policy).
- g. Once the requisition is approved, Accounts Payable will create the Purchase Order.
- h. Using the Purchase Order number (g), ORDER/PURCHASE items or services.

Note: Do not order items or services until AFTER the steps (e) through (g) are completed.

Helpful hints to assure compliance

When considering a purchase, ask yourself 1) is it really necessary? 2) Is this the best price/value? 3) Have I carried out due diligence and fairness in this transaction?

Remember, as a representative of Phelan Piñon Hills Community Services District, all fees and charges are subject to the Public Information Act and available for public review. Most importantly, the District believes that being transparent to the public that it serves is of the utmost importance.

Section 4. INTERNAL CONTROL PROCEDURES

The General Manager is the administrator of this policy and shall be responsible for overseeing compliance of this policy.

The District's Managers and Supervisors shall be responsible for assisting with and overseeing compliance with this policy by all employees within their respective department/area of responsibility.

Any employee found to have made unauthorized purchases may be subject to penalties allowed by law and/or disciplinary action(s) under the District's Employee Manual, up to and including termination.

Section 5. SUMMARY

These guidelines cannot cover every issue, exception or contingency that may arise in making purchases on behalf of the District. Accordingly, the basic standard that should always prevail is to use common sense and good judgment in the use and stewardship of District resources.