



LAKE SHASTINA COMMUNITY SERVICES DISTRICT

RESOLUTION 2-25

A RESOLUTION OF THE LAKE SHASTINA BOARD OF DIRECTORS REGARDING THE PURCHASING POLICY.

The Board of Directors of the Lake Shastina Community Services District hereby finds and declares the following:

WHEREAS, the Lake Shastina Community Services District (District) is committed to maintaining up-to-date policies that reflect current best practices, legal requirements, and operational needs; and

WHEREAS, the Board of Directors previously adopted the Purchasing and Contract Procedure Policy No. 3150 on December 16, 2015, pursuant to Resolution No. 13-15 which established guidelines for purchasing materials and supplies, and for contracting with outside agencies in direct support of the District; and

WHEREAS, the Board of Directors previously adopted Resolution No. 4-19 modifying the General Manager's purchasing authority; and

WHEREAS, upon review, the Board has determined that Policy No. 3150 requires revision to better align with current district priorities and applicable laws;

NOW, THEREFORE, BE IT THEREFORE RESOLVED that the Board of Directors hereby adopts the following updated policy, which supersedes and replaces Resolution No. 13-15, Resolution No. 4-19 and Policy No. 3150 in their entirety and effective immediately upon adoption. Any references to the previous policy within District documents shall be deemed to refer to this updated policy.

BE IT FURTHER RESOLVED that this updated policy shall be reviewed periodically to ensure continued compliance with applicable laws and alignment with district priorities.

I hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 2-25 duly passed and adopted by the Board of Directors of the Lake Shastina Community Services District, Siskiyou County, California, at a meeting thereof duly held on the 16th day of April 2025, by the following vote:

AYES: Dir. Chandler, Cupp, MacIntosh, Mitchell

NOES:

ABSENT: Dir. Uttech


Paula Mitchell, President

ATTEST: 
Rick Thompson, Secretary

Lake Shastina Community Services District Purchasing Policy

California special districts must establish formal procurement practices to ensure efficient operations, fiscal responsibility, and compliance with state laws. This policy provides the framework for purchasing materials, supplies, equipment, and services while maintaining public trust through transparent procurement processes.

Purpose and Legal Framework

The purpose of this policy is to define the practices and procedures of the Lake Shastina Community Services District (District) governing the procurement of supplies, materials, equipment, and services in accordance with California Government Code Section 54202. This statute requires all local agencies to formally adopt policies and procedures, including bidding regulations, for governing purchases. This policy establishes guidelines to ensure that the District obtains goods and services of appropriate quality at the most advantageous cost, while maintaining fairness, transparency, and compliance with applicable laws.

All purchases, agreements, services, leases, and contracts for materials, supplies, equipment, and other District property shall be made in accordance with this policy and shall comply with all applicable laws, regulations, and guidelines of the State of California. This policy is subject to periodic review and may be revised from time to time by the Board of Directors.

Applicable Laws and Regulations

This policy operates under the framework of multiple California codes, including but not limited to:

1. California Government Code 61063, requiring formal adoption of purchasing policies
2. Public Contract Code Sections (relevant sections for special districts)
3. Civil Code Section 9000 et seq. for construction contracts

When the District is legally required to competitively bid projects as defined under the Public Contract Code, the District will follow the process set forth in the Public Contract Code.

Definitions

1. Goods: Tangible products including materials, supplies, and equipment required for District operations.
2. Services: Work performed by independent contractors including professional services, maintenance, consulting, and other non-construction services.
3. Public Works/Construction: Contracted services for construction of public works, including but not limited to, buildings, utility projects, and repair of the same.
4. Purchase Order: A form designed to contain all necessary information and signatures relevant to purchases by the District, used as a written order to a vendor and may serve as a written change order.

5. Sole Source Purchase: Purchases of commodities, services, or equipment which can be obtained from only one vendor due to unique circumstances such as proprietary items, equipment standardization, or exclusive distribution rights.
6. Emergency Purchase: Purchases made without competitive bidding when unforeseen circumstances present immediate risks to public health, safety, welfare, District property, or essential services.
7. Surplus Property: Any property owned by the District that is no longer needed for District purposes.

Purchasing Authority and Responsibilities

The Board of Directors delegates the authority to make purchases under this policy to the General Manager. The General Manager shall have the authority to delegate the purchasing duties and responsibilities within departments to responsible Department Managers. These designated managers shall administer the purchasing procedures, negotiate and approve contracts, and purchase products and services, consistent with the principles of price, quality, and delivery.

The General Manager is responsible for establishing appropriate administrative controls to ensure compliance with this policy. All District officers and employees involved in purchasing must adhere to this policy and associated procedures.

Purchasing Authority Levels

The following authority levels govern the approval required for purchases:

1. Department Managers: Up to \$5,000 (as delegated by the General Manager)
2. General Manager: Up to \$50,000
3. Board of Directors: Purchases exceeding \$50,000

It is a violation of this policy to split an aggregate single purchase into smaller orders for the purpose of evading this policy or the established approval thresholds. All authority levels are subject to budget availability and proper appropriation of funds.

Purchasing Process and Methods

The purchasing method to be employed depends on the estimated dollar amount of the purchase and the type of goods or services being procured. The following sections outline the procedures for different purchase categories and thresholds.

Purchase of Materials, Supplies, and Equipment

For purchases of materials, supplies, and equipment, the following thresholds shall apply:

1. Purchases under \$5,000:
 - a. No competitive quotes are required, though staff should seek the most reasonable price.

- b. May not require the creation of a purchase order at the General Manager's discretion.
 - c. Approval by Department Head (Fire Chief, Police Chief, or Public Works Director) is required
- 2. Purchases from \$5,000 to \$25,000:
 - a. Requires at least two (2) quotes whenever possible.
 - b. Purchase order is required, which can serve as the contract.
 - c. Approval by General Manager is required
- 3. Purchases from \$25,000 to \$50,000:
 - a. Requires at least three (quotes) whenever possible.
 - b. Creation of a purchase order is required.
 - c. May require a formal contract for services.
 - d. Approval by General Manager is required
- 4. Purchases from \$50,000 to \$150,000:
 - a. Requires formal competitive bid process such as Request for Proposals (RFP) or Request for Bids (RFB)
 - b. Creation of purchase order and contract required
 - c. Approval by Board of Directors is required
- 5. Purchases exceeding \$150,000:
 - a. Requires sealed bids and formal competitive bidding process.
 - b. Creation of purchase order and contract required
 - c. Approval by Board of Directors is required
 - d. Award must be in accordance with standards contained in the selection process

Professional Services

For professional services, the selection process shall be based primarily on qualifications and demonstrated competence, not necessarily on the lowest price. Professional services typically include architectural, engineering, environmental, financial, legal, and planning services.

- 1. For services under \$25,000:
 - a. General Manager may select consultant based on demonstrated competence and qualifications
 - b. Competitive proposals not required but recommended
- 2. For services from \$25,000 to \$50,000:
 - a. Informal competitive process required, soliciting proposals from at least three qualified consultants
 - b. Selection based on demonstrated competence and qualifications
- 3. For services exceeding \$50,000:
 - a. Evaluation criteria must be established
 - b. Board approval required for contracts exceeding established thresholds

Public Works and Construction

Public works and construction projects shall comply with the California Public Contract Code and other applicable laws. The following thresholds shall govern the procurement process:

1. Projects under \$75,000:
 - a. May be performed by negotiated contract, purchase order, or by District employees by force account pursuant to the provisions in the Public Contract Code Section 22032(a)
 - b. Competitive bidding is not required, but the best value should be sought
 - c. Approval by General Manager is required
2. Projects from \$75,000 to \$220,000:
 - a. May be let to contract by informal bidding procedures specified in the District's informal bidding procedure pursuant to the provisions in the Public Contract Code Section 22032(b)
 - b. Requires solicitation of bids from at least three contractors
 - c. Approval by Board of Directors is required
3. Projects exceeding \$220,000:
 - a. Formal competitive bidding required with sealed bids
 - b. Public notice requirements apply
 - c. Approval by Board of Directors is required
 - d. Must comply with all applicable Public Contract Code requirements

Competitive Bidding Requirements

Competitive bidding is required for purchases above certain thresholds to ensure the District receives the best value. The competitive selection process shall be employed for all procurements unless an exception applies.

Informal Bidding Procedures

For purchases or projects requiring informal bidding:

1. A minimum of two or three quotes shall be obtained, depending on the dollar threshold
2. Quotes may be obtained verbally, in writing, or by email
3. Documentation of all quotes received must be maintained
4. Award shall be made to the lowest responsible and responsive bidder
5. If unable to obtain the minimum required quotes, documentation must show reasonable attempts were made

Formal Bidding Procedures

For purchases or projects requiring formal bidding:

1. Detailed specifications shall be developed before soliciting bids
2. Public notice shall be provided as required by law
3. Sealed bids shall be received by a specified date and time
4. Bids shall be opened publicly at the time and place stated in the notice
5. Evaluation shall be based on the requirements set forth in the bid documents
6. Award shall be made to the lowest responsible and responsive bidder unless otherwise specified in the bid documents
7. Board approval is required for award of formal bids above established thresholds

Exceptions to Competitive Bidding

The following exceptions to competitive bidding are permitted under specific circumstances: Sole Source Purchases, Commodities, services, and equipment which can be obtained from only one vendor are exempt from competitive bidding. Sole source purchases may include:

1. Proprietary items sold directly from the manufacturer
2. Equipment which has been standardized by the District
3. Items that have only one distributor authorized to sell in the area
4. Agreements for maintenance of computer software the District owns
5. Products proven to be the only product acceptable for a specific purpose

For sole source purchases, written findings must be made and approved by the appropriate authority level. These findings must document:

1. That the product is the only one that will properly meet the needs of the District because: The item is unique and available only from a sole source; or the item is unique and designed to match others used in a particular installation, facility, or location
2. That the product will be used in a field test or experiment to determine suitability for future use
3. That the procurement is for renewal or extension of a continuing professional service

Emergency Purchases

Emergency purchases may be made without competitive bidding when unforeseen circumstances present an immediate risk of:

1. Harm or hazard to public health, safety, and welfare
2. Damage to District property
3. Serious interruption of District essential services

The General Manager may authorize emergency purchases as necessary, with subsequent reporting to the Board of Directors at the next regular meeting if the purchase exceeds established thresholds. Since emergency purchases do not normally provide the opportunity to obtain competitive quotes, sound judgment shall be used in keeping such orders to a minimum.

Cooperative Purchasing

The District may participate in cooperative purchasing agreements with other public agencies when in the best interest of the District. This includes:

1. Purchases made through the State of California Department of General Services
2. Purchases made through the County Purchasing Agent
3. Purchases made through other cooperative purchasing programs established by public agencies
4. Purchases utilizing a legally compliant solicitation conducted by another local, regional, state, or national public agency, provided that the materials, supplies, and equipment are provided to the District at the same price and on the same terms and conditions

Other Exceptions

Additional exceptions to competitive bidding may include:

1. Purchases to replenish warehouse inventory within established re-order levels, provided the vendor has been selected within the last 24 months as the designated vendor for those items
2. Subscriptions, dues, and memberships
3. Utility services where rates are fixed by regulatory agencies
4. Advertising
5. Insurance
6. Joint purchases authorized in instances where the District is purchasing items cooperatively with other governmental agencies for cost reduction or operational efficiencies

Purchase Order Procedures

Purchase orders shall be used to initiate and document purchases according to the following procedures:

1. Purchase orders shall be prepared from a properly completed purchase order form, which is designed to contain all necessary information and signatures relevant to the purchase
2. Each purchase order shall be filled out by the District employee prior to obligating District funds for a purchase
3. Purchase order shall include:
 - Purchase order number, date, department, and preparer
 - Vendor information with complete address

- Quantity/unit and description of items to be purchased
- Account number to be charged
- Unit price and extended amount
- “NOT TO EXCEED” language for repetitive purchases or contracts
- 4. Purchase orders must be approved according to established authority levels
- 5. Purchase orders generally will be closed at the end of each fiscal year, with purchases expensed from the fiscal year budget in which goods are received
- 6. Purchase orders representing multiple-year contracts will remain open until projects are completed

Change Orders

Changes to existing contracts or purchase orders shall be documented through a change order process. The following authority levels apply to change orders:

1. General Manager: Cumulative change orders up to a maximum of 25% of the original contract amount or \$300,000, whichever is less. All changes in excess of \$150,000 shall be reported to the Board of Directors at the next regular meeting
2. Board of Directors: Change orders exceeding the above thresholds

Surplus Property

The disposal of surplus property shall follow established procedures to ensure maximum return to the District. The following guidelines apply:

1. The General Manager or designee shall periodically review District property to identify items no longer needed or used by the District
2. Surplus property shall be disposed of in a manner appropriate to the type and value of the property
3. For items with an estimated market value of less than \$5,000 per item, the General Manager may authorize disposal through any appropriate method
4. For items with an estimated market value of \$5,000 or more per item, disposal shall be by sealed bid, auction, online auction, or through a remarketing service provider, and may require formal appraisal
5. All surplus property disposal shall be documented, and proceeds shall be returned to the appropriate District fund

Surplus Land

Disposal of real property must comply with the Surplus Land Act (SLA), Government Code Section 54220 et seq., which requires:

1. The District’s governing board must declare the property as either “surplus land” or “exempt surplus land”. Exempt surplus land is property that is formally declared exempt from the procedural requirements of the SLA. Qualifying criteria for this exemption are defined under Government Code Section 54221(f)(1).

2. For surplus land, the District must send a written “notice of availability” to certain qualifying entities
3. Any qualifying entity interested in the property has sixty (60) days to notify the District in writing of its interest
4. If a qualifying entity expresses interest, the District must engage in “good faith negotiations” regarding the price and terms for sale or lease
5. If no agreement is reached after 90 days of good faith negotiations, or if no qualifying entity expresses interest, the District may dispose of the property as it deems appropriate
6. When disposing of surplus property, districts must record a deed restriction requiring any residential development to provide certain levels of affordable housing

Ethics in Public Contracting

District officers, employees, and agents involved in purchasing shall maintain the highest ethical standards. The following principles govern procurement activities:

1. District officers, employees, and agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors, contractors, consultants, or potential vendors, contractors, or consultants
2. No employee shall participate in the selection, award, or administration of a contract if a conflict of interest is involved
3. All procurement transactions shall be conducted in a manner providing full and open competition
4. Confidential information shall not be disclosed to any person not authorized to receive such information
5. All procurement records shall be maintained and made available in accordance with applicable laws

Conclusion

This purchasing policy establishes a comprehensive framework for the procurement of goods and services by the District in compliance with California law. The policy balances the need for efficient operations with the requirements for transparency, fairness, and accountability in public procurement. Regular review and updates to this policy will ensure continued compliance with evolving laws and best practices in public procurement.

By following these guidelines, the District will ensure that all purchases are made in the public interest, with appropriate oversight and controls, while maximizing the value received for public funds expended.