

**RESOLUTION NO. 2024-43**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SAN BENITO COUNTY WATER DISTRICT  
ESTABLISHING A POLICY FOR  
CONTRACT ADMINISTRATION**

**RECITALS:**

A. As part of the Federal Government requirement for Grants Administration, it is required for the District to have a Policy on Contract Administration.

**NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Benito County Water District** that a policy on Contract Administration be as follows:

**CONTRACT ADMINISTRATION**

**1.1 CAPITAL PROJECTS**

Public Works Contracts Code, Section 21250 through 21251 (Exhibit A)

The following provisions apply to contracts by the District for 1) Construction of works, structures, or equipment; 2) The performance of furnishing labor, materials, or supplies necessary or convenient for carrying out any purposes of the District Act; and 3) The acquisition or disposal of any real or personal property:

- a) When the work is not to be done by the District by force account, and the amount involved is \$30,000 or more, the contract shall be awarded to the lowest and best bidder after publication of the notice calling for bids.
- b) Contracts may be let or work undertaken without advertising for bids if the work is deemed to be of urgent necessity for the preservation of life, health, or property and is authorized by a resolution passed by at least three (3) affirmative votes of the Board containing a declaration of the facts constituting the urgency, and that the emergency will not permit a delay resulting from a competitive solicitation for bids, and that action is necessary to respond to the emergency.

- c) Contracts for acquisition or disposal of real property, for acquisition or leasing of personal property, the purchase of water to replenish the underground water supplies, the repair of District equipment or structures, and for legal, engineering, or other professional services may be let without calling for competitive bids.

## 1.2 CAPITAL PROJECTS - APPROVAL PROCEDURE

<b>Step</b>	<b>Description</b>	<b>Board Action Required</b>
1. Project Identification	Project is conceptualized and assessed as to whether it helps.	No
2. Identification in Budget	Once project is determined to meet District goals and objectives it is identified in a specific Program budget.	Yes (at budget adoption)
3. Feasibility Study	Project description is developed; benefits, costs and land requirements are identified; and a financial analysis prepared.	No
4. Engineer's Report	Engineer's Report containing benefit-cost analysis is presented for Board consideration and determination that the project is feasible, necessary, and of general benefit to the lands of the District. Applicable Requests for Proposals are conceptually approved by the Board, and final budgeting limits established at this time.	Yes
5. Project Design	Staff may require outside assistance with the design project. Board approval is required for issuance of Professional Services Agreement over \$30,000.	Yes
6. Project Regulatory Requirements	Depending upon project, Board action required for execution of permits, easements, right-of-way, land purchases, inter-agency agreements, EIA/EIR's, etc.	Yes

7. Advertise Contract	Advertise project plans and specifications to receive bids	Yes
8. Award of Contract	Upon completion of design and advertisement of plans and specifications, staff presents recommendation to Board for award of the contract.	Yes
9. Acceptance of Completion	Upon construction completion, staff recommends Board acceptance of completion of the project.	Yes

**1.3 PURCHASE ORDER – EMERGENCY**

Staff is authorized to establish a list of pre-qualified bidders in critical areas of operational maintenance and repair having the potential for shutdown, which maintenance and repair would be of urgent necessity for the preservation of life, health or property. In cases of emergency repairs or modifications where the cost will exceed \$5,000, and advertising for bids would result in untimely delays, staff is authorized to solicit a minimum of three bids from the pre-qualified bidders list and issue a Purchase Order to the lowest and best bidder for the work required. Purchase Order must be submitted for Board ratification at the first Board meeting following its issuance.

**1.4 CONSULTANT SELECTION PROCEDURES**

Written proposals for professional services for new projects and new service providers shall be evaluated on the following six criteria:

- ♣ Project Approach and Schedule
- ♣ Experience and Qualifications of the Project Manager
- ♣ Experience of Firm and Other Project Team Members
- ♣ Time Commitment of Key Staff
- ♣ Man-hour Estimate
- ♣ Record of Success on Recent Similar Project

The proposals to be reviewed by a District committee composed of Group Manager under whom the work will be funded, proposal manager, and a third staff member, or other staff as directed by the General Manager. The proposing firms will be ranked using the above process, without consideration of the project fee (firm will submit the proposed fee in a sealed envelope separate from the rest

of the proposal). Before the fee envelopes are opened, the proposal review scores will be evaluated and ranked. Normally, only the top three will be selected for fee consideration.

After the fee envelopes are opened, staff will review the evaluation score and the proposed fee for each of the identified firms and present these with a recommendation to the Board. As part of the recommendation to the Board, staff will provide information on the proposed project budget and schedule.

After project completion, staff will provide a report to the Board on the project's success in meeting its budget, schedule, and other goals.

### **1.5 CHANGE ORDER POLICY - PUBLIC WORKS/CONSTRUCTION**

- ♣ At the time of award of the construction contract by the Board, a Change Order budget shall be established for the purpose of funding construction Change Orders.

- ♣ The General Manager is authorized to approve and execute all necessary and appropriate Change Orders in an aggregate amount not to exceed the Change Order budget established by the Board without requiring subsequent Board action.

- ♣ The General Manager is authorized to approve and execute all necessary and appropriate Change Orders that decrease the contract amount without requiring subsequent Board action.

- ♣ The General Manager is authorized to approve and execute all necessary and appropriate Change Orders that increase or decrease the construction contract completion date without requiring subsequent Board action.

- ♣ Change Orders in excess of the Change Order budget require Board approval prior to execution and issuance by the General Manager. In this instance, the Board may elect to establish a new Change Order budget under which the General Manager may approve Change Orders without formal Board action.

- ♣ Should conditions arise that require immediate execution of a Change Order to prevent or correct a hazardous or cost-escalating condition, the General Manager is authorized to approve and execute the necessary Change Order, subject to subsequent ratification by the Board.

♣ The General Manager shall prepare a monthly informational report for the Board of all Change Orders, amount and purpose, approved by the General Manager.

♣ The General Manager is authorized to initiate emergency repairs with the on-call firms for an amount not to exceed \$150,000 per emergency occurrence.

## 1.6 PROFESSIONAL SERVICES AGREEMENTS

Professional Service Agreements are Agreements for professional or special services, i.e., small construction jobs, surveys, reports, etc. (Not for Public Works Contracts). **Approval levels for services requested are as follows\*:**

<p><b>Class 1</b>  <b>\$30,000 or less</b></p>	<p>If budgeted, General Manager approval required</p>
<p><b>Class 2</b>  <b>Greater than \$30,000 and Less than or equal to \$50,000</b></p>	<p>Upon receipt of a minimum of three written proposals, the General Manager will recommend selection of a consultant for Board approval. A minimum of five consultants will be formally requested to submit a proposal where appropriate.</p>
<p><b>Class 3</b>  <b>Greater than \$50,000</b></p>	<p>Board approval required for issuance of Request for Proposals. Upon receipt of a minimum of three written proposals, Board approval is required for issuance of Agreement. A minimum of seven consultants will be formally requested to submit proposals.</p>
<p><b>Class 4</b>  <b>Continuing professional and special services (bringing total amount over \$30,000)</b></p>	<p>Board approval required if total PSA amount exceeds \$20,000 for additional services. Ongoing PSAs must be for tasks similar in scope to initial PSA.</p>

\*The Board of Directors may waive or modify any or all portions of this policy if special circumstances warrant.

**1.7 SIGNING AUTHORITY - CONTRACTS AND PURCHASES ORDERS**

(Excluding Public Works contracts governed by state law and Professional Services Agreements governed by Board)

The following signature authority will be used\*. The functional authority level listed describes the highest level of signature approval needed. Intermediate management approval between the initiator/requestor and listed approval level is also obtained. If an acquisition will result in a net increase in the District’s budget, the Board must approve the item.

Purchase Orders: Required Approvals

- Items exceeding \$50,000 – require Board of Directors approval
- Items \$25,000 - \$49,999 – require General Manager approval
- Items \$5,000 - \$24,999 – require Department Manager/Assistant General Manager approval
- Items less than \$5,000 – require authorized Department Manager approval

Co-Signatures Required

In addition to the signature of the Delegated Authority to ensure that all policies and procedures governed purchase orders and contracts are followed:

- All contract or Purchase Orders less than \$50,000 will be signed by the Department Manager.
- All contracts or Purchase Orders \$50,000 and above will require Board approval prior to signature of Department Manager.
- Inventory Purchases over \$50,000 require Board approval.
- All purchases for computer hardware, software and communication equipment will be approved by the AGM

\*The General Manager shall have discretionary control over delegation of Board-approved signing authority levels to Assistant GM, and Department Managers.

**1.8 SIGNING AUTHORITY – RESEARCH AND DEVELOPMENT**

- The General Manager or his/her designee is authorized to execute forms and agreements to enable research in partnership with various organizations to support grants and collaboration either by “wet” signature or by electronic signature.

- The General Manager or his/her designee is authorized to execute Research and Development (R&D) Department related forms and agreements by “wet” signature or by electronic signature approaches, subject to approval as to form and content by SBCWD General Counsel, including non-monetary agreements and monetary agreements up to \$50,000 in which expenses will be reimbursed from external grants, and other forms and agreements associated with R&D Department routine activities.

### **1.9 PROCUREMENT GUIDELINES – COMPETITIVE BIDS**

The following guidelines will be followed by the General Manager/AGM in obtaining pricing and competitive bids under general Procurement methods.

<b>EXPENDITURE RANGE</b>	<b>PROCUREMENT METHOD</b>
Less than \$5,000	Noncompetitive negotiation
\$5,000 to \$9,999	A minimum of two (2) verbal quotations are required
\$10,000 to \$19,999	A minimum of two (2) written quotations are required
\$20,000 to \$50,000	A minimum of three (3) written quotations are required
\$50,000 or more	IF BUDGETED, a minimum of three (3) written quotations and Board authorization for award of purchase order is required. IF NOT BUDGETED, Board discretion to either accept three (3) written quotations and award purchase order or follow formal advertisement for bid procedures.

### **1.10 REPORTING PROCEDURES**

General Manager, Assistant General Manager, Program/Department Manager will receive monthly cumulative updated reports from the Finance Department on all major contracts, service contracts and purchase orders.

The foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors of the San Benito County Water District held on October 30, 2024, by the following vote:

AYES: DIRECTORS: Shelton, Williams, Flores, Tonascia & Wright

NOES: DIRECTORS: None

ABSENT: DIRECTORS: None

ABSTAIN: DIRECTORS: None



(Signature of presiding Board member  
Attested by Board Secretary  
Resolution #2024-43)

/s/ Andrew Shelton  
Andrew Shelton  
President

ATTEST:

/s/ Barbara L. Mauro  
Barbara L. Mauro  
Board Secretary

**Exhibit A**  
**Public Works Contracts Code, Section 21250 through 21251**

**California Public Works Contracts Code Section 21250**

The provisions of this article shall apply to contracts by the San Benito County Water Conservation and Flood Control District, as provided for in Chapter 1598 of the Statutes of 1953.

**California Public Works Contracts Code Section 21251**

(a)

(1) All contracts for any improvement or unit of work, if the cost according to the estimate of the engineer will exceed thirty thousand dollars (\$30,000), shall be let to the lowest responsible bidder or bidders as provided in this article. The board shall first determine whether the contract shall be let as a single unit or divided into severable parts, or both.

(2) All contracts for any improvement or unit of work, if the cost according to the estimate of the engineer is thirty thousand dollars (\$30,000) or less, may be let without advertising for bids in accordance with procedures adopted by the board.

(b)

The board shall call for bids and advertise the call pursuant to Section 6063 of the Government Code in the district, inviting sealed proposals for the construction or performance of the improvement or work before any contract is made. The call for bids shall state whether the work is to be performed as one unit or divided into severable specific parts.

(c)

The work may be let under a single contract or several contracts, or both, as stated in the call. The board shall require the successful bidder or bidders to file with the board good and sufficient bonds to be approved by the board conditioned upon the faithful performance of the contract and upon the payment of their claims for labor and material. The bonds shall comply with Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code. The board may reject any bid.

(d)

If all proposals are rejected or no proposals are received, or the estimated cost of the work does not exceed five thousand dollars (\$5,000), or the work consists of channel protection, maintenance work, or emergency work, the board may have the work done by force account without advertising for bids. In case of an emergency, if notice for bids to let contracts will not be given, the board shall comply with Chapter 2.5 (commencing with Section 22050).

(e)

The district may purchase in the open market, without advertising for bids, materials and supplies for use in any work either under contract or by force account.