

**REGULAR MEETING  
MOHAVE VALLEY IRRIGATION AND DRAINAGE DISTRICT**

**Request for Board Action**  
Item Number 8I Of:

**Meeting Date: August 06, 2019**

Consent Agenda     Regular Agenda

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**PROPOSED ACTION:**

**\*MVIDD Procurement Policy.** Discussion and possible action to approve MVIDD'S Procurement Policy. (Item was discussed at July 02 and July 29, 2019 Regular and/or Executive Meetings)

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**STAFF RECOMMENDATION:**

Staff recommends approval.

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**BOARD ACTION TAKEN:**

Approved as Requested       Disapproved       No Action Taken  
 Tabled to \_\_\_\_\_       Approved with following changes:

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**CHANGES:**

# Mohave Valley Irrigation & Drainage District

1460 E. Commercial St.

Mohave Valley, AZ 86440



## Procurement Policy

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## **SECTION 1.0      PROCUREMENT MISSION STATEMENT**

The mission of the Procurement Process of the District is to meet the needs of the Mohave Valley Irrigation & Drainage District (MVIDD) through the consistent supply of materials, goods, services, equipment, and support processes in a responsible, cost-effective, and timely manner.

## **SECTION 2.0      PURPOSE OF THE PROCUREMENT POLICY**

- 2.1 The purpose of this manual is to define the practices and policies governing the procurement of supplies, materials, equipment and services, including construction and capital improvements, for MVIDD use and to relate the policies and principles to applicable provisions of governing law and to MVIDD administrative policies. (Procurement Policy or Policy) This Policy is the written rule and regulation required by Arizona Title 41, Chapter 23 (A.R.S. 41-2501 through 41-2673). This Procurement Policy is compliant with Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This policy will follow 200.318 General procurement standards through 200.326 Contract provisions.
- 2.2 By adoption of this Policy, the Board is empowering the General Manager, or its authorized representative with certain duties and responsibilities that are essential for the day-to-day operation of MVIDD. The General Manager has been given specific authority to manage the procurement of goods, materials and services, under advisement of the Chairman and/or Board of Directors.

## **SECTION 3.0      POLICY STATEMENT**

3.1      This Procurement Policy prescribes policies and procedures for the acquisition of supplies and services. This policy applies to expenditure of public funds including Federal assistance monies, except that nothing in this Policy shall prevent MVIDD from complying with terms and conditions of any grant, gift, bequest, cooperative agreement, or Federal or State guideline.

3.2      This Policy is subject to change in the regular operation of MVIDD, as it may be revised from time to time by the Board of Directors.

### 3.2.1      General Procurement Policies

- A.      All purchases, agreements, services, leases, and/or contracts for materials, supplies, equipment, and other MVIDD property shall be made in accordance with this Policy.
- B.      Procurement practices shall comply with laws, regulations and guidelines of the State of Arizona and the provisions of grant or funding agreements, if applicable.
- C.      Any employee effecting any procurement action outside of the policies and procedures established within this manual and without Board authorization to do so, may be subject to disciplinary action and/or termination.
- D.      Splitting or separating of material, supply, service, lease, and equipment orders or projects for the expressed purpose of evading the requirements of this Policy is strictly prohibited.
- E.      Contract administration methods shall be maintained to assure that goods and services received by MVIDD meet the terms and conditions of the contract.

## **SECTION 4.0      PROCUREMENT AUTHORITY**

The General Manager, under direction of the Chairman and/or Board of Directors, manages the Financial and Procurement Operations and is authorized to:

- 4.1 Enter into contractual obligations on behalf of MVIDD for the acquisition of supplies, materials, equipment, and services necessary to support MVIDD functions in accordance with this Procurement Policy.
- 4.2 Obtain full and open competition in accordance with prescribed policies and procedures in a manner that presents the best overall value to MVIDD.
- 4.3 Provide for the uniform treatment of vendors, suppliers, and contractors.
- 4.4 Prepare and recommend revisions and amendments to procurement policies and requirements governing the purchase of materials, supplies, equipment and services and submit them periodically to the Board for approval. Revisions to procurement rules and requirements shall adhere to all related laws and industry standards.
- 4.5 Supervise the receipt and inspection of all materials, supplies, equipment, and services purchased to ensure conformance with specifications.
- 4.6 Maintain necessary records for the efficient operation of procurement.

**SECTION 5.0      EXCEPTIONS FROM CENTRALIZED PROCUREMENT**

- 5.1 Any purchase for supplies, materials, equipment and/or services, other than those exceptions listed below, shall not be made outside of the centralized purchasing process without the approval of the Chairman and/or Board of Directors.
  
- 5.2 Purchases that are exempt from the centralized procurement process are limited to the following, and authorization for these transactions shall be in accordance with the approval limits and dollar thresholds set forth in this Policy.

Advertisements	Insurance
Agency Contribution	Leases or Purchase of Real Property
Annexation Expenses	Medical Services
Application Fees	Memberships
Assessment District Expenses and Payment of Debt Service	Notices
Association Fees	Payroll
Attorney & Legal Fees	Petty Cash
Bank Charges and Fees	Postage
Board Lunches	Purchase of Imported Water
Bond Transactions	Refunds (Construction & Billing)
Bureau of Reclamation Expenses	Seminars
Claims	Subscriptions
Conferences	Training (Off-site)
Court Reporting	Travel Expenses, Lodging & Meals
Easements	Utilities
Environmental Fees & Permits	Website Administration
Fees & Permits (City, County, State & Agency)	

## 6.0 Ethical Procurement Practices

6.0.1 It is the policy of MVIDD to maintain good working relationships with its vendors and suppliers, as well as the community at large. Every employee has the ability to influence the opinions of others through daily interaction with the business community. In personal contacts with vendors and suppliers, employees shall represent the best interests of MVIDD by conducting business in a fair, equitable, and ethical manner.

6.0.2 MVIDD subscribes to the following Principles and Standards of Ethical Supply Management Conduct:

- A. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- B. Avoid any personal business or professional activity that would create a conflict between personal interests and the interests of MVIDD.
- C. Avoid soliciting or accepting money, loans, credits, or preferential discounts and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence, or appear to influence, supply management decisions.
- D. Handle confidential or proprietary information with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- E. Conduct supply management activities in accordance with state, national, and international laws, customs, and practices, MVIDD policies, and these ethical principles and standards of conduct.
- F. Develop and maintain professional competence.



## **SECTION 7.0      DEFINITION OF TERMS**

The following definitions shall apply as they relate to this Policy:

- 7.1 *"Addendum"* shall mean any alteration, correction, or adjustment to a solicitation document prior to award.
- 7.2 *"Approver"* shall be the individual with the authority to designate appropriated funding for a specific procurement as defined in Exhibit A.
- 7.3 *"Bidder prequalification"* means determining that a prospective bidder or offeror satisfies the criteria for being included on the bidder's list.
- 7.4 *"Bid sample"* means an item furnished by a bidder to show the characteristics of the item offered in the bid.
- 7.5 *"Budgeted Procurements"* shall mean projects or purchases that have been included as part of the fiscal year budget, or as a respective augmentation thereof, and authorized by the Board.
- 7.6 *"Business"* means any corporation, partnership, individual, sole proprietorship, joint venture or other private legal entity.
- 7.7 *"Capital Project"* shall mean a project that has a value of at least \$25,000, has a lifespan of longer than one year, and results in the creation or revitalization of a fixed asset.
- 7.8 *"Centralized Procurement"* shall mean that all purchases of goods and services are made by the MVIDD General Manager to avoid duplication, overlapping, and non-uniform procurement.
- 7.9 *"Change Order or Task Order"* shall mean any modification to an existing procurement or respective contractual document subsequent to award.
- 7.10 *"Construction"* means the process of building, altering, repairing, improving or demolishing any public infrastructure facility, including public structure, public building, or other public improvements of any kind to any real property. Construction does not include the routine operation or routine repair, or routine maintenance of an existing public infrastructure facility, including structures, buildings, or real property.
- 7.11 *"Consultant"* shall mean a person or company that provides a Professional Service to MVIDD.
- 7.12 *"Contract Documents"* shall mean all documents that together form the terms and conditions for procurement of goods or services from suppliers, vendors, or contractors to MVIDD.
- 7.13 *"Contractor"* shall mean any person who submits a bid, proposal, or contract in connections with a procurement or service. This term also includes any person who conducts business as an agent or representative of the contractor.

- 7.14 “Delegate Authority” shall mean authority to assign authority, at specified limits, to respective subordinate staff.
- 7.15 “Designee” mean a duly authorized representative of the General Manager, Chairman and/ or Board of Directors.
- 7.16 “Emergency” shall mean a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.
- 7.17 “Formal Solicitation” shall mean the issuance of a written request for formal bids, proposals, or quotations.
- 7.18 “General Manager” shall mean the executive in charge of day-to-day MVIDD operations or its authorized designee.
- 7.19 “Informal Solicitation” shall mean the written request for a written bid, proposal, or quotation unless otherwise authorized by the General Manager or Board of Directors.
- 7.20 “Invitation for Bids” shall mean a formal process for soliciting formal bids from qualified prospective suppliers. This typically involves advertising the solicitation, a formal bid opening, and the awarding of a contract to a responsive and responsible supplier based on price and other specified factors.
- 7.21 “Offeror” shall mean a person or entity that submits an offer to MVIDD to provide goods or services.
- 7.22 “Operation and Maintenance” shall mean the functions to ensure continuous operations and viability of MVIDD's infrastructure.
- 7.23 “Public Notice” means the distribution or dissemination of information to interested parties using methods that are reasonably available. Such methods may include electronic mailing lists and/or a website maintained by MVIDD.
- 7.24 “Procurement” shall mean the purchase or otherwise compensatory securing of materials, supplies, services, leases, and equipment, real property, or public works services.
- 7.25 “Professional Services” shall mean any specially trained and experienced person, firm or corporation, providing services and advice in financial, economic, accounting, engineering, information services, technical, architectural, or other administrative/ professional matters.
- 7.26 “Request for Proposal” shall mean a formal solicitation of proposals which involves a qualification based selection process which may include price as part of the evaluation criteria.
- 7.27 “Responsible” shall mean a bidder or proposer who has proper resources, technical capabilities, and financial capacity to deliver materials or perform the work.

- 7.28 *“Responsive”* shall mean a bidder or proposer whose bid/proposal complies in all aspects with the Invitation for Bids or Request for Proposal by the bid opening or proposal closing date.
- 7.29 *“Services”* means the furnishing of labor, time or effort by a contractor, consultant, subcontractor, or sub-consultant which does not involve the delivery of a specific end product other than required design documents or reports and performance. Services do not include employment agreements or collective bargaining agreements. The definition of services includes, but is not limited to, consulting, personal, professional, legal counsel, auditing, technical professional design, construction and purchase-of-client services.
- 7.30 *“Single Source”* shall mean procurement where there is a compelling reason for using only one source, a preferred brand, like material, etc., to be procured.
- 7.31 *“Sole Source”* shall mean procurement where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment, copyrights, etc.
- 7.32 *“Subcontractor or Sub-consultant”* means a person who contracts to perform work or render service to a contractor or consultant as defined by this section or to another subcontractor or subconsultant as a part of a contract with MVIDD.
- 7.33 *“Written or In Writing”* means the product of any method for forming characters on paper, or other materials, or viewable screens, which can be read, retrieved, and reproduced, including information that is electronically transmitted and stored.

## **SECTION 8.0 AUTHORIZATION TABLE**

- 8.1 Procurement Authorization Table
- 8.1.1 The Procurement Authorization Table is set forth in Exhibit A,

## **SECTION 9.0      MVIDD SPECIFICATION REQUIREMENTS**

9.1 Before procurement commences, the needed item or service must be clearly defined. Procurement specifications serve this purpose by identifying characteristics of the item or service with definitions, descriptions, and quantities. Specifications should describe the attributes of the item or service in such a way that the requirements can be clearly understood both internally and externally by vendors or contractors.

9.2 It is the responsibility of the requesting party to formulate specifications and submit them to the General Manager prior to, or with, their request to initiate the acquisition process. The level of detail associated with the specification will often depend on the complexity of the procurement itself.

### **9.3 Use of Brand Name or Equal Procurement Descriptions**

9.3.1 While the use of performance specifications is preferred to encourage offerors to propose innovative solutions, the use of brand name or equal purchase descriptions may be advantageous under certain circumstances.

9.3.2 Brand name or equal purchase descriptions must include, in addition to the brand name and model number, general description of those salient physical, functional, or performance characteristics of the brand name item that a proposed "equal" item must meet to be acceptable for award.

### **9.4 Items Limited to One Manufacturer**

9.4.1 MVIDD specifications shall not be written so as to require a particular brand name, product, or a feature of a product, limited to one manufacturer, thereby precluding consideration of a product manufactured by another company, unless a finding is made, and described in the Invitation for Bids or Request for Proposal, that a particular material, product, thing, or service is designated by specific brand or trade name for any of the following purposes:

- A. In order that a field test or experiment may be made to determine the product's suitability for future use.
- B. In order to match other products in use on a particular public improvement either completed or in the course of completion.
- C. In order to obtain a necessary item that is only available from one source.
- D. In order to respond to an Emergency declared by the General Manager, Board of Directors, or State or Federal agencies.

## **SECTION 10.0      COMPETITION**

All procurements for materials, supplies, equipment, services, and construction shall employ competitive bidding whenever practicable. All procurements over \$100,001 will adhere to the formal RFP/Bid process. The Chairman and/or Board of Directors may grant exceptions up to his/her authority to the competitive process for emergency conditions, supply limitation, or other circumstances with justification for such waiver being documented with the acquisition. Bids shall be awarded to the "responsive" and "responsible" bidder who submits the lowest bid that is most advantageous to the District.

\$0 - 5,000	One Informal Quote
\$5,001 - \$100,000	Two Informal Bids
\$100,001 +	Formal RFP/Bid Process/Board Approval

### 10.1 Exceptions

Exceptions to the competitive requirements are:

- 10.1.1      Emergency procurement as defined herein.
- 10.1.2      Sole or single source procurement as defined herein.
- 10.1.3      Time constraint or other circumstances where the General Manager or Board of Directors has determined it is in the best interest of MVIDD.
- 10.1.4      Cooperative procurement arrangements with other entities.
- 10.1.5      When the General Manager or Board of Directors has determined that a negotiation with a vendor or supplier is in the best interest of MVIDD.

## 10.2 Release of Procurement Information

- 10.2.1 *Before solicitation.* Information concerning a proposed procurement shall not be released outside MVIDD before solicitation except for long-range acquisition estimates in the annual budget.
- 10.2.2 *After solicitation.* Discussions with prospective bidders regarding a solicitation shall be conducted and technical or other information shall be transmitted only by the General Manager or by others specifically authorized. Such personnel shall not furnish any information to a prospective bidder that alone or together with other information may afford an advantage over others.
- 10.2.3 *During negotiations.* Information contained in proposals shall not be released until negotiations have been completed and a recommendation is forwarded to the Board or other approving authority. Such information shall be transmitted only by the General Manager or by others specifically authorized.
- 10.2.4 *Confidential information.* If any information in a bid or proposal is claimed to be confidential by the bidder or proposer, and such information is clearly identified in the bid or proposal as confidential, along with a statement of the basis of the claim, then a copy of any Public Records Act request or other request for disclosure of the information will be sent to the bidder or proposer. At its sole cost and expense, the bidder or proposer may seek, within the required time-frame for disclosure, to enjoin the production of the information it claims to be confidential. The bidder or proposer must defend, indemnify and hold harmless MVIDD for any costs associated with withholding the information.

## 10.3 Modification or Withdrawal of Bids

- 10.3.1 Bids may be modified or withdrawn if notice is received not later than the time set for opening of bids.

## 10.4 Opening of Bids

10.4.1 Bids will be opened in the presence of any two of the following members of MVIDD (an alternate may be designated by each member): General Manager, Chairman of the Board, Secretary of the Board, or any Director of the Board.

10.4.2 The General Manager shall announce that the time for submitting bids has closed, at the time specified in the bid solicitation. The General Manager shall then publicly open all bids received before that time and read the bids aloud.

10.4.3 Examination of bids by interested persons shall be permitted if it does not unduly interfere with the conduct of MVIDD business.

## 10.5 Recording of Bids

10.5.1 Register of Bids containing the names of bidders and the bid amount shall be available for public inspection.

## 10.6 Award of Bids

10.6.1 Award of competitive bids shall be made to the lowest responsible and responsive bidder.

10.6.2 Notice of Award will be sent by the General Manager to the successful bidder.

10.6.3 Unsuccessful bidders will be notified through electronic correspondence or public posting on MVIDD's website.

## 10.7 Award of Proposals

10.7.1 Award of competitive proposals shall be made to the Offeror of the proposal that MVIDD determines is in MVIDD's best interest after consideration of all evaluation factors that were set forth in the Request for Proposal.

10.7.2 Notice of Award will be sent by the General Manager. The General Manager will also be responsible for notifying all unsuccessful proposers either by mail, email, or public posting on MVIDD's website

## 10.8 Rejection of Individual Bids

- 10.8.1 Any bid that fails to conform to the essential requirements of the Invitation for Bids shall be rejected.
- 10.8.2 Any bid may be rejected if MVIDD determines that it is unreasonable as to price. Unreasonableness of price includes not only the total price of the bid, but the prices for individual line items as well.
- 10.8.3 A bid shall be rejected if the bidder is found not responsible. Prior to finding a bidder not responsible, the General Manager shall notify the bidder of any evidence reflecting upon the bidder's responsibility, afford the bidder an opportunity to rebut such adverse evidence, and permit the bidder to present evidence of qualification.

## 10.9 Contractor Qualifications

- 10.9.1 Purchases shall be made from, and contracts shall be awarded to, responsible contractors only. A prospective contractor must affirmatively demonstrate its responsibility, including, when necessary, the responsibility of its proposed subcontractors.
- 10.9.2 MVIDD, through its General Manager and Board of Directors, reserves the right to evaluate the qualifications of contractors submitting bids or proposals and to determine if the lowest offer is in the best interest of MVIDD.

To be determined responsible, a prospective contractor must:

- A. Have adequate financial resources to perform the contract, or the ability to obtain them.
- B. Be able to comply with the required or proposed delivery or performance schedule, taking into consideration all existing commercial and governmental business commitments.
- C. Have a satisfactory performance record. A prospective contractor shall not be determined responsible or non-responsible solely on the basis of a lack of relevant performance history.
- D. Have a satisfactory record of integrity and business ethics.
- E. Have the necessary organization, experience, accounting and operational controls, and technical skills, or the ability to obtain them.



F. Have demonstrated the attribute of trustworthiness as well as quality, fitness, capacity, and experience to satisfactorily perform the contract.

10.9.3 All contractors shall possess all applicable licenses required by local agencies and must have appropriate insurance as set forth in this Policy.

10.9.4 MVIDD may at its discretion prequalify contractors through a uniform, unbiased prequalification process and may limit bids or proposals it receives to the prequalified contractors.

#### 10.10 Formal Bids/Solicitations

10.10.1 For all procurement of materials, supplies, equipment, services, and construction in excess of \$100,000, bids or proposals shall be solicited from a minimum of three vendors. A Request for Proposals (RFP) must be used to document the specification and requirement of the product or service.

10.10.2 The RFP must be made publicly available on the District's website or in a newspaper of general circulation. If the RFP is also sent directly to prospective vendors, at least three vendors shall receive the notice.

10.10.3 Vendor responses (proposals/bids) must be submitted in written form and retained on file by the General Manager of the District. Contracts shall be awarded in a manner most beneficial to the District.

10.10.4 Nothing herein shall limit the District's ability to select a vendor if only one vendor response is received.

#### 10.11 Informal Solicitations

10.11.1 For all procurement of materials, supplies, equipment, services, and construction in excess of \$5,000 but less than \$100,000, at least two vendors must be contacted for bids/price quotations and the purchase awarded to the lowest, most responsive bidder.

10.11.2 Bids may be solicited from prospective bidders by written request, telephone, legal advertising or public notice (including District website). Regardless of the solicitation method, all vendors must receive the same information about specifications and requirements of the product or service, and all bids submitted must be kept in confidence until the bid is awarded. Bidders may be advised that they will be notified only if they submitted the successful bid.

10.11.3 All bids received must be documented and retained by the General Manager of the District.

10.11.4 Nothing herein shall limit the Districts ability to select a vendor if only one vendor response is received.

## 10.12 Contract Signatures

10.12.1 Only the General Manager, Chairman, or its authorized designee, shall sign contracts on behalf of MVIDD.

## 10.13 Electronic Commerce

10.13.1 MVIDD may use electronic commerce whenever practicable or cost-effective. MVIDD may accept electronic signatures and records in connection with MVIDD procurements.

## 10.14 Procurement Records

10.14.1 Procurement records must maintain complete transactional history. MVIDD staff shall establish files containing the records of all contractual actions in accordance with record retention requirements and established procedures. The documentation in the files shall be sufficient to constitute a complete history of the transaction.

## 10.15 Emergency Purchases

10.15.1 As further set forth in Section 11, the General Manager, Chairman and/or its designee, is authorized to approve emergency procurements in an emergency.

## 10.16 Bid Security

10.16.1 The General Manager, Chairman and/or Board of Directors shall determine whether bid security is necessary for a solicitation. Bid security may be in the form of (a) cashier's/ certified check made payable to MVIDD, or (b) a bid bond.

## 10.17 Insurance Requirements

10.17.1 The General Manager or its designee shall determine the type and amount of insurance necessary for each solicitation (see section13)

## 10.18 Outside Funding Sources

10.18.1 In the event that a procurement for materials, supplies, equipment, services, or construction is subject to funding from a Federal, State, or local funding source, the procurement shall comply with the provisions and requirements of the outside funding source.

## **SECTION 11.0      EMERGENCY PROCUREMENT PROCEDURES**

- 11.1 In the event of an Emergency (as defined in Section 7), MVIDD, pursuant to a majority vote of the Board, may repair or replace a public facility, take any directly related and immediate action required by that Emergency, and procure the necessary equipment, services, and supplies for those purposes, without following the purchasing procedures prescribed by this Policy.
- 11.2 General Manager Authority
- 11.2.1 The Board has authorized the General Manager, or its designee, to approve Emergency procurements and take any action set forth in Section 11.1.
- 11.2.2 If the Emergency procurement exceeds the General Manager's approval authority, the General Manager, or its designee, in conjunction with the Chairman of the Board requesting a declaration of an Emergency, shall report to the Board, at its next meeting the reasons justifying why the Emergency did not permit a delay resulting from complying with purchasing requirements and why the action was necessary to respond to the Emergency.
- 11.3 Before MVIDD takes any action, it shall make a finding, based on substantial evidence set forth in the minutes of its meeting, that the Emergency would not permit a delay resulting from complying with purchasing requirements, and that the action was necessary to respond to the Emergency.
- 11.4 Board Ratification
- 11.4.1 If the Board orders any action specified in Section 11.1, the Board shall review the Emergency action at its next regularly scheduled meeting and at every regularly scheduled meeting thereafter until the action is terminated to determine, by a majority vote, whether there is a need to continue the action.
- 11.4.2 If the General Manager, or its designee, orders any action specified in Section 11.1, the Board shall initially review the Emergency action not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than fourteen days after the action, and at least at every regularly scheduled meeting thereafter until the action is terminated, to determine, by a majority vote, whether there is a need to continue the action, unless the General Manager, or its designee, has already terminated that action prior to the Board's review.

11.4.3 The Board shall terminate the action at the earliest possible date that conditions warrant so that the remainder of the Emergency action may be completed by giving notice for bids to let contracts.

## 11.5 Federally Declared Emergencies; Procurement and Contracting Requirements.

11.5.1 In the event of an emergency declared by the President of the United States, MVIDD must comply with Federal procurement standards as a condition of receiving public assistance funding from the Federal Emergency Management Agency (FEMA) for contract costs for eligible work. FEMA funding is governed by Title 2 of the Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

### 11.5.2 Federal Emergency Procurement Procedures

#### A. Micro-Purchases.

- (i) Purchases within the micro-purchase threshold (e.g., currently set at purchases of \$3,000 or less but periodically adjusted for inflation) may be awarded without soliciting competitive quotations if MVIDD considers the price to be reasonable.
- (ii) To the extent practicable, MVIDD must distribute micro-purchases equitably among qualified suppliers.

#### B. Small Purchases.

- (i) Purchases within the simplified acquisition threshold (e.g., currently set at purchases of \$150,000 or less) shall not be required to be formally bid.
- (ii) Price quotations must be solicited from no less than three (3) sources.

#### C. Formal, Sealed Bidding.

- (i) Formal, sealed bidding is required for purchases greater than the simplified acquisition threshold, which is currently set at \$150,000, or as may be adjusted by the Federal Acquisition Regulation, pursuant to 48 CFR § 2.101.
- (ii) MVIDD must publicly advertise the Invitation for Bids and publicly open all bids at the time and place prescribed in the invitation.

- (iii) Any contracts awarded pursuant to this procedure shall be to the lowest responsible bidder submitting a responsive bid and shall be for a firm fixed price.

D. Solicitation of Competitive Proposals.

- (i) When the nature of a procurement does not lend itself to formal, sealed bidding (e.g., professional services), MVIDD may solicit competitive proposals.
- (ii) A request for proposals (RFP) must be publicly advertised, and MVIDD must solicit proposals from an adequate number of sources. The RFP must identify all evaluation factors and their relative importance; however, the numerical or percentage ratings or weights need not be disclosed.
- (iii) Any contract awarded based on the competitive proposal procurement process cannot be based exclusively on price or price-related factors.
- (iv) If a contract is awarded, it shall be to the responsible firm whose proposal is most advantageous to MVIDD (“best value”), with price and other factors considered.

11.5.3 Federal Emergency Noncompetitive Procurements

A. Contracts may be procured through a noncompetitive proposal only when:

- (i) The item is only available from a single source;
- (ii) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (iii) MVIDD authorizes noncompetitive proposals, as otherwise permitted by the Procurement Policy; or
- (iv) Competition is deemed inadequate after the solicitation of a number of sources.

11.5.4 Federal Emergency Contracting with Small and Minority Firms, Women’s Business Enterprises, and Labor Area Surplus Firms

A. MVIDD must conduct all necessary affirmative steps to ensure the use of minority businesses, women’s business

enterprises, and labor surplus area firms when possible, as set forth at 2 CFR § 200.321.

#### 11.5.5 Federal Emergency Cost or Price Analysis

- A. MVIDD shall perform a cost or price analysis in connection with every procurement action, including contract modifications, in excess of the simplified acquisition threshold. While the method and degree of analysis depend on the facts surrounding the particular procurement situation, MVIDD must, at a minimum, make independent estimates before receiving bids or proposals.
- B. MVIDD shall negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where a cost analysis is performed as required by 2 CFR § 200.323(b).

#### 11.5.6 Federal Emergency Payment Procedures

- A. Contracts entered into pursuant to this Section 11.5 shall utilize only fixed-price, cost-reimbursement, or, to a limited extent, time and materials payment methods.
- B. Time and Materials (T&M) Contracts
  - (i) T&M contracts should be used rarely, and the use of T&M contracts should be limited to a reasonable time period (e.g., no more than 70 hours) based on circumstances during which MVIDD cannot define a clear scope of work.
  - (ii) MVIDD shall only enter into a time and materials contract if all of the following apply:
    - (1) No other contract was suitable; and
    - (2) The contract has a guaranteed maximum price that the contractor exceeds at its own risk; and
    - (3) MVIDD provides a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
  - (iii) MVIDD must define the scope of work as soon as possible to enable procurement of a more acceptable type of contract (i.e., non-T&M).

C. Separate Invoicing

- (i) All purchases made during a proclaimed Emergency shall require separate invoicing from routine (i.e., non-emergency related) purchases. All invoices shall state the goods, services, or equipment provided and shall specify where the goods or services were delivered. All invoices shall specify the location(s) where the goods or services were used, if possible. Any invoice which fails to properly identify the emergency nature of the purchase and provide details as to the date(s) and location(s), as appropriate, shall not be paid until such errors are corrected by the vendor and re-submitted in correct form

**SECTION 12.0 PROTESTS**

12.1 Protest Against Solicitations

- 12.1.1 Any protest relating to the form or content of a solicitation must be submitted in writing to and received by MVIDD's General Manager and contact specified in the solicitation at least four (4) business days before the original date set for the submission of proposals or bids.
- 12.1.2 The protest must be made in writing (letter, e-mail, or facsimile) and must contain the following information:
  - A. Name, address, and phone number of the protestor.
  - B. The title and solicitation number of the solicitation being protested.
  - C. A detailed statement citing the provisions being protested, including the reason(s) for the protest.
- 12.1.3 Late protests shall not be considered.
- 12.1.4 If the protest is timely and complies with all of the above requirements, MVIDD shall review the protest and all relevant information. MVIDD will provide a written response to the protestor.
- 12.1.5 Any contractor who submits a bid or proposal without making a protest shall be deemed to have waived any objection to the form or content of the solicitation.

## 12.2 Protest After Solicitation Opening

- 12.2.1 Submitted bids or proposals will be made available for review in a timely manner, upon written request of any Contractor.
- 12.2.2 Contractors wishing to file a protest must comply with all protest requirements. Specifically the protest must:
- A. Be made in writing (letter, email, or facsimile) to, and received by, MVIDD's General Manager and contact specified in the solicitation within five (5) business days after the solicitation opening date.
  - B. Clearly identify the alleged irregularity or other basis for the protest.
  - C. Specify, in detail, the factual and legal grounds for the protest.
  - D. Include all relevant, supporting documentation with the protest at time of filing.
- 12.2.3 If the protest does not meet all of these requirements, MVIDD may reject it without further review.
- 12.2.4 If the protest is timely and complies with all of the above requirements, MVIDD shall review the protest, any response to the protest received from the challenged contractor, and all relevant information. MVIDD will provide a written response to the protestor.

## 12.3 Exclusive Remedy

- 12.3.1 The procedure and time limits set forth in this section are mandatory and are the sole and exclusive remedy in the event of a protest. Failure to comply with these procedures shall constitute a failure to exhaust administrative remedies and a waiver of any right to further pursue the protest, including filing a Government Code Claim or legal proceedings.

## 12.4 Protests of Procurement Actions

- 12.4.1 Protesting party shall only communicate with the General Manager or the contact listed in the solicitation while the protest is pending.



## **SECTION 13.0      INSURANCE AND BONDS**

### **13.1 Insurance Requirements and Approval**

13.1.1 Unless authorized by MVIDD General Manager, Certificates of Insurance and Endorsement forms are required for all quotes, bids, RFPs, and Contracts awarded by MVIDD. The Board of Directors shall be consulted to recommend insurance limits and coverage required prior to the release of a solicitation or Purchase Order. MVIDD staff should consult with the Board of Directors prior to releasing solicitations.

13.1.2 MVIDD's General Manager or Board of Directors determines the minimum insurance requirements for work performed by contractors. The determination is based on project specific risk factors and MVIDD's liability exposure. MVIDD requires insurance in all instances in which contractors:

- A. Repair, install, service, maintain, or construct MVIDD property or facilities.
- B. Provide certain consulting services.
- C. Deliver certain goods and supplies to MVIDD.
- D. Hauling of waste or other items from MVIDD property or facilities. MVIDD contract administrators should consult with the General Manager or Board of Directors prior to requesting quotes/bids/RFP.
- E. MVIDD staff shall not authorize work/services prior to written authorization from the General Manager that the contractor's insurance certificate and endorsement forms have been reviewed and conform to MVIDD requirements. Under no circumstance should an agreement, or contract be issued or executed in the absence of written authorization from the General Manager or designated representatives and that the appropriate Certificates of Insurance and Endorsement forms are on file and satisfactory to MVIDD.
- F. Contractors are required to maintain all requisite insurance for the duration required by the Contract and must

ensure that current, satisfactory Certificates of Insurance and Endorsement forms are on file with MVIDD. Failure to furnish such evidence may be considered contractor default.

- G. The General Manager is responsible for obtaining all required Certificates of Insurance and Endorsement forms.

## 13.2 Insurance Requirements

13.2.1 The minimum insurance policy and endorsement requirements are:

- A. *Commercial General Liability.* Insurance written on a per occurrence basis with limits not less than \$1,000,000, for bodily injury and property damage including coverage for contractual liability, personal injury, independent contractors, property in the Vendor's care, custody, or control, ongoing and products and completed operations.
- B. *Commercial Automobile Liability.* Insurance written on a per accident/occurrence basis with a single limit of liability in the amount of \$1,000,000 for bodily injury and property damage. Said policy shall include coverage for any auto, owned, non-owned, leased and hired cars.
- C. *Workers' Compensation.* Insurance policy as required by the Labor Code or legally self-insured pursuant to Labor Code section 3700 et seq. along with employer's liability limits of \$1,000,000.

13.2.2 Each of a vendor's insurance policies shall contain the following:

- A. A provision or endorsement that the insurer names MVIDD, its officers, directors, members, partners, employees, agents, consultants, and subcontractors as additional insured's (except Workers' Compensation and Professional Liability).
- B. Along with the vendor waiving its right to subrogation, a provision or endorsement whereby the insurer waives all right of subrogation, against MVIDD, it's representatives, officers, directors, members, partners, employees, agents, consultants, and subcontractors (except Professional Liability).
- C. Vendor is required to provide notice of cancellation or material coverage change to MVIDD within ten (10) days of receipt, along with an endorsement from the insurer

providing that written notice shall be given to MVIDD at least thirty (30) days prior to termination, cancellation, or reduction of coverage in the policy.

- D. A provision or endorsement that such insurance is primary and non-contributory with respect to the interests of the additional insured's and that any other insurance maintained by the additional insured's is excess and not contributing insurance with the insurance required.
- E. A provision or endorsement with a "cross liability" or "severability of interest" clause.

13.2.3 These specific insurance requirements are mandated should the work involve any of the following activities:

- A. Professional Liability/Errors and Omissions Insurance is required in the amount of \$1,000,000 for non-public works related professional services.
- B. Excess/Umbrella Liability Policy may be provided to insure the total limits required for Commercial General Liability and Automobile Liability and must apply to all primary coverage afforded, including but not limited to general liability, owned and non-owned automobiles, leased and hired cars.

## **SECTION 14.0 PROFESSIONAL/CONTRACT SERVICES/LARGE PURCHASES**

### 14.1 Professional Services

- 14.1.1 Except as required by Section 14.1.2, wherever practical and possible competitive proposals will be solicited from more than one service provider.
- 14.1.2 In accordance with Section 10.0, at least one informal quote must be obtained for procurements of \$5,000 or less, and at least two informal quotes must be obtained for procurements of \$5,001 to \$100,000. All procurements over \$100,001 must adhere to the formal RFP/bid process.
- 14.1.3 When MVIDD seeks to procure professional services of architectural, landscape architectural, engineering, environmental, land surveying, or construction management firms, selection shall be on the basis of demonstrated competence and qualifications for the types of services to be performed and at a fair and reasonable price.

- 14.1.4 Professional services are defined as any specially trained and experienced person, firm, or corporation specializing in financial, economic, accounting, engineering, technical, legal, architectural, or other specialized disciplines (aka consulting services). Technical and maintenance services (e.g., janitorial services, landscape maintenance, etc.) differ from professional services in that they involve limited discretionary judgment and are primarily manual in nature. For example:
- A. The use of a designer to do layout work for a magazine is considered a professional service. The printing of the magazine is not.
- 14.2 Contract Services
- 14.2.1 Contracts that are not professional in nature such as technical and maintenance services (e.g., janitorial services, landscape maintenance, etc.) may be procured utilizing standard bidding requirements or qualification based selection pursuant to a Request for Proposal in accordance with this Policy whenever practicable.
- 14.3 Large Purchases (Non-Inventory)
- 14.3.1 Large purchases of non-inventory goods, materials, and equipment over \$25,000 shall be procured utilizing standard bidding requirements and applicable Contract Documents set forth in this policy whenever practicable.
- 14.4 Authority Levels
- 14.4.1 All professional and contract services and large purchases shall be governed by the Procurement Authorization Table set forth in this policy. (See Exhibit A.)
- 14.5 Attorney Services to District
- 14.5.1 Selection of General Counsel for the District shall not be subject to any bid or RFP process unless the District elects to advertise for the position of General Counsel. Selection of General Counsel shall be made by the Board of Directors as a whole, based on the demonstrated expertise of the attorney or law firm under consideration and compatibility with District needs for counsel. Services rendered by General Counsel shall be on an as-needed basis as determined by the Board or General Manager.
- 14.5.2 If determined by the Board that special legal expertise is required for any matter, the Board shall, in conjunction with General Counsel, consider attorneys or law firms possessing the particularly expertise and contact one or more potential attorneys to discuss the need, in confidence, before making a selection. Specialized legal expertise shall not be subject to any bid or RFP requirement, but shall be expressly limited in scope upon engagement of the attorney or law firm.

**EXHIBIT A**  
**MOHAVE VALLEY IRRIGATION & DRAINAGE**  
**DISTRICT (MVIDD)**  
**PROCUREMENT AUTHORIZATION TABLE**

Dollar Amount	Manager	Chairman	Board of Directors		
\$5,000	X				
\$5,001-10,000		X			
\$10,001+			X		

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**EXHIBIT B**  
**MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT**  
**SINGLE/SOLE SOURCE JUSTIFICATION**

When a request is made for a non-competitive purchase and the specifications limit the bidding to one source and/or brand or trade name, the requesting party must complete the following. The form shall be authorized by the Chairman of the Board and Secretary of the Board and signed by the General Manager or its designee.

Item: \_\_\_\_\_ Vendor/Brand Name: \_\_\_\_\_

Job No. \_\_\_\_\_ Estimated Dollar Amount \_\_\_\_\_

Please check all applicable categories below and provide additional information where indicated:

1. The requested product has unique design and/or performance specifications or quality requirements that have not been found in similar products.

Identify unique features and why they are required (not merely preferred):

Have you contacted other suppliers to evaluate items/services with similar features and capabilities? If no, explain why not. If yes, list suppliers and explain why their products do not meet the department's needs.

2. The requested product is an integral repair part or accessory compatible with existing equipment.

Existing Equipment: Manufacturer/Model#:

3. The requested product is one with which I and/or my staff have specialized training and/or extensive expertise. Retraining would incur substantial cost in time and/or funding. Estimated cost for retraining:

4. I have standardized the requested product and the use of another brand/model would require considerable time and funding to evaluate. Reasons for standardizing:

5. Goods or services are available only from the manufacturer or designated service representative. Describe the unique qualifications, rights, licenses, etc. this vendor possesses and the distinctive service to be provided.

6. This product is requested in order to respond to an emergency declared by the District, by the state, a state agency, or political subdivision of the state and the reasons for the finding of the emergency are contained in the public records of the District.

7. This product is requested in order that a field test or experiment may be made to determine the product's suitability for future use.

- I am aware that this justification form is only valid for **one year** from the date it is signed by the General Manager.
- I am aware of the MVIDD policy for competitive purchasing and certify that the above information is accurate to the best of my knowledge.

Requestor: \_\_\_\_\_ Date: \_\_\_\_\_

Manager: \_\_\_\_\_ Date: \_\_\_\_\_

Chairman: \_\_\_\_\_ Date: \_\_\_\_\_

Secretary: \_\_\_\_\_ Date: \_\_\_\_\_

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