PURCHASING POLICY

Adopted by the Board of Directors February 20, 2026

The following Purchasing Policy ("Policy") shall govern the Monterey Regional Waste Management District and Monterey Regional Waste Management Authority (individually and collectively, "ReGen") purchase of Supplies and Equipment, General Services, Personal and Professional Services, and Public Works/Construction Projects. The Board of Directors may periodically review and amend this Policy.

This Policy supersedes all prior purchasing policies, including the purchasing policy dated September 2022.

1. Purpose

The purposes of this Policy are to:

a. Establish efficient and consistent procedures for the purchase of Supplies and Equipment, General Services, Personal and Professional Services, and Public Works/Construction Projects;
b. Encourage full, fair, and open competition in purchases;
c. Employ procedures that will result in good value in purchases;
d. Ensure the quality of purchases;
e. Ensure purchases conform with all applicable laws;
f. Exercise positive financial oversight and control over purchases; and
g. Clearly define authority for the purchasing function.

2. General Manager Authorities and Responsibilities Related to Purchasing

Except as specified herein or as otherwise directed by the Board, and consistent with the applicable Board-adopted budget, the General Manager shall have authority and responsibility over purchases of Supplies and Equipment, General Services, Personal and Professional Services, and Public Works/Construction Projects required by ReGen. Among other things, the General Manager is authorized to and responsible for:

a) Develop and issue requests for qualifications (RFQ), requests for proposals (RFP), invitations for bid (IFB), and other solicitation documents;
b) Prescribe quantities, qualities, scope of work, duration/term, and specifications for purchases; prescribe minimum qualifications; prescribe criteria for evaluation of qualifications, responsibility, proposals, bids, and responsiveness; determine responsibility; determine responsiveness; evaluate satisfaction of qualifications; and determine other matters related to competitive purchasing;
c) Prescribe risk management strategies for purchases (such as minimum insurance, indemnity, bonding, and liquidated damages);
d) Negotiate and execute contracts, purchase orders, and other forms related to purchases, as well as amendments, modifications, and change orders thereto;

e) Inspect and test purchases of Supplies and Equipment, and Public Works/Construction Projects for conformance with law, requirements, specifications, and overall quality; and provide oversight over the delivery of General Services and Personal and Professional Services for quality, adherence to scope, and adherence to budget;
f) Pay invoices for purchases made consistent with this Policy, the Board-adopted budget, and the applicable contract, purchase order, and other forms related to purchases (subject to reporting to the Board), and disallow invoices (or portions thereof) that are not in conformance;
g) Manage the receipt and inventory of Supplies and Equipment purchased by ReGen;
h) Identify and manage Surplus Supplies and Equipment for disposal;
i) Ensure purchases (and disposals) are conducted with integrity, transparency, and consistency with all ethics and conflicts of interest norms and requirements; and
j) Prescribe internal rules, procedures, protocols, and forms governing purchases (and disposals); recordkeeping; and financial oversight and internal controls related to purchases (and disposals).

The General Manager shall provide to the Board on a periodic basis (typically monthly) a report on (i) contracts executed by the General Manager in the prior period between $100,000 - $200,000 (if any); (ii) contracts executed by the General Manager in the prior period that exceed $200,000 and were entered based on emergency circumstances (if any); and (ii) cash activity in the prior period pursuant to ReGen purchases.

Except as otherwise directed by the Board, the General Manager may designate one or more staff, on a temporary or regular basis, to support the General Manager in fulfilling the authorities and responsibilities described in this Policy, in their discretion and based on ReGen's best interest.

3. Minimum Requirements Related to Purchasing

Except as specified herein, in cases of emergency, or as otherwise directed by the Board, the following minimum requirements apply to purchasing:

a) Approving Entity; Thresholds. Purchases above $200,000 (as the total purchase price for Supplies and Equipment, as the amount per year for services, or as the total project cost for Public Works/Construction Projects) must be approved by the Board; purchases below this threshold may be approved by the General Manager (or their designee). No commitment to purchase shall be issued except with prior approval of the appropriate approving entity.

b) The General Manager may approve contract amendments and change orders that increase the contract amount so long as the total contract amount does not exceed the General Manager's purchasing authority threshold specified above when aggregated with the original contract and any prior amendments.

c) For purchases approved by the Board, the General Manager may approve contract amendments and change orders that increase the contract amount by up to ten percent (10%) of the Board-approved contract amount when aggregated with the original contract and any prior amendments (e.g., if the Board approves a public works contract for $1M, the General Manager may approved a $25k change order and a $35k change order without

further Board action because the $60k aggregate amount of the change orders is less than 10% of $1M).

d) Procurement Process (Formal or Informal). Purchases above $200,000 (as the total purchase price for Supplies and Equipment, as the amount per year for services, or as the total project cost for Public Works/Construction Projects) shall follow formal procurement procedures (e.g., Invitation for Bid, Request for Qualifications, Request for Proposals); purchases between $12,000 to $200,000 shall be based on at least 3 informal bids or quotes (where possible); purchases below $12,000 shall be based on at least 1 informal bid or quote.

e) Basis for Award. Purchases above $12,000 for Supplies and Equipment, General Services, and Public Works/Construction Contracts shall be awarded to the Lowest Responsible Bidder; purchases below this threshold may be awarded based on staff validation of price reasonableness. Purchases of any value for Personal or Professional Services shall be award based on Best Value (except purchases of certain design professional services awarded consistent with Mini–Brooks Act, where price is not a factor).

f) Purchases in Writing. Purchases must be in writing (except purchases of Supplies and Equipment for less than $1,000 may be based on receipts). Purchases must use ReGen's standard forms of purchase order, professional services agreement, public works contract, and related documents; additions, deletions, or changes to the standard forms require the General Manager's approval.

g) Adequate Appropriation. No purchase shall be approved unless there exists an unencumbered appropriation in the fund account against which the purchase is to be charged.

h) Splitting Purchases Prohibited. No purchase from a single vendor or provider shall be accomplished by the issuance of several purchase orders for portions thereof for the purpose of avoiding application of requirements of this Policy.

4. Public Works/Construction Projects Procedures and Requirements

Except as otherwise required by law, purchasing for Public Works/Construction Projects shall adhere to the following additional procedures and requirements.

a. Approval of Plans and Specifications. The General Manager is delegated authority to approve and adopt on ReGen's behalf the plans, specifications, and working details for all Public Works/Construction Projects. Such approval and adoption is made at the time the General Manager or Board approves a contract.

b. Development of Engineer's Estimate. The General Manager is delegated authority to develop an engineer's estimate of the cost.

c. Publication of Notice Inviting Bids; Solicitation of Bids. For Public Works/Construction Projects where the engineer's estimate exceeds $200,000, the General Manager shall

publish a notice inviting bids; the notice shall state the time and place for the receiving and opening of sealed bids and distinctly state the project to be done. The notice inviting bids shall be published at least ten (10) days before the date of opening the bids. The notice inviting bids shall be published at least once in a newspaper of general circulation, printed and published in ReGen's jurisdiction. The General Manager shall also send the notice inviting bids to all prospective bidders whose names are on any bidders' lists maintained by ReGen. In addition, the General Manager may publish notice inviting bids on the agency's website, in trade publications, and by other additional means.

d. Bidder's Security. When deemed necessary by General Manager, or when required by law, the General Manager may require bidder's security. If the General Manager requires a bidder's security, the form and amount shall be prescribed in the notice inviting bids. Bidders shall be entitled to return of their bidder's security; provided, that a successful bidder shall forfeit their bidder's security upon refusal or failure to execute the contract within ten (10) days after the notice of award of contract has been issued, unless ReGen is responsible for the delay. The Board may, on refusal or failure of the successful bidder to execute the contract, award the contract to the next Lowest Responsible Bidder. If the Board awards the contract to the next Lowest Responsible Bidder, the amount of the Lowest Responsible Bidder's security shall be applied by ReGen to the difference between the low bid and the second lowest bid, and the surplus, if any, shall be returned to the lowest bidder.

e. Bidder Responsibility. The General Manager shall determine the factors that determine a bidder's responsibility to bid on a particular project; the factors shall be prescribed in the notice inviting bids. The General Manager shall determine whether a bidder is responsible.

f. Bid Responsiveness. The General Manager shall determine the factors that make a bid responsive; the factors shall be prescribed in the notice inviting bids. The General Manager shall determine whether a bidder is responsive. The General Manager may waive any bid informalities, irregularities, ambiguities, calculation errors, or other matters as they deem in the best interest of the agency, not materially affecting the bid.

g. Bid Opening Procedure. For Public Works/Construction Projects where the engineer's estimate exceeds $200,000, sealed bids shall be submitted in the manner prescribed in the notice inviting bids. Sealed bids shall be opened, examined, and declared by the General Manager in public at a time and place stated in the notice inviting bids. A tabulation of all bids received shall be open for public inspection during regular business hours for a period of not less than thirty (30) calendar days after the bid opening. After bid opening, the General Manager will scrutinize accepted bids to confirm bidder responsibility and bid responsiveness.

h. Rejection of Bids; Self Perform; Negotiated Price. The General Manager or Board, in their discretion, may reject any or all bids presented. If, after the first invitation for bids, all bids are rejected (or if no bids are received), the Board may (a) re-advertise for bids in the manner prescribed by this Policy, (b) declare that the project can be performed more economically by ReGen personnel (self-perform) and proceed with self-performance, (c) declare a contract to perform the project can be negotiated at a lower price than that in

any of the bids, proceed with such negotiations, and consider award of a contract for the work, or (d) abandon the project.

i. No Bids Received. In the event no bids are received, the General Manager may, in their discretion, re-advertise for other bids, cancel the procurement, or recommend that the Board declare by resolution that the services may be more economically or satisfactorily procured on the open market and order such procurement on the open market by direct negotiations.

j. Award to Lowest Responsible Bidder. For Public Works/Construction Projects where the engineer's estimate exceeds $200,000, the results of the bidding shall be reported to the ReGen Board at the next regular meeting after the bid opening. If the Board elects to award a contract, it shall award the contract to the Lowest Responsible Bidder. If two or more Responsible Bidders offer the same price, the Board may select one in its discretion (and may negotiate with the tie bidders) and award the contract.

k. Performance Bond. When deemed necessary by General Manager, or when required by law, the General Manager may require a performance bond, and a labor and materials bond, before entering into a contract in such amount as it finds reasonably necessary to protect the best interests of the agency. If the General Manager requires a performance bond, the form and amount of the bond shall be prescribed in the notice inviting bids.

l. Prevailing Wage. The General Manager shall ensure ReGen's compliance with prevailing wage requirements applicable to an "awarding body" under the Labor Code and Public Contract Code.

5. Protests

Procedures for bid protests shall be specified in the request for proposals/notice inviting bids. The General Manager may adopt such other procedures for reviewing and responding to a bid protest as they deem prudent. The General Manager shall decide all bid protests; the General Manager's decision may be appealed to the Board of Directors so long as the appeal is timely submitted in accordance with the procedures the General Manager prescribes. The procedures and time limits prescribed by the General Manager are mandatory and are the bidder's sole and exclusive administrative remedy in the event of a bid protest. The bidder's failure to comply with these procedures shall constitute a waiver of any right to further pursue a bid protest, including filing a challenge to the award of the contract, filing a claim pursuant to the California Government Code, or filing any other legal proceedings. The bid protest procedures shall not limit the General Manager's authority to reject all bids; rejecting all bids or proposals shall render a protest moot and terminate all protest proceedings.

6. Exceptions

Except as otherwise directed by the Board, the purchasing procedures and requirements described in this Policy may be dispensed with in any of the following instances:

a. Sole Source. When (i) the commodity or service can be obtained from only one vendor, (ii) the General Manager or Board has determined that competitive procurement would not produce an advantage for ReGen and would not be in the public interest, (iii) one (or zero) bid or proposal is received in response to a competitive purchase, (iv) all bids or proposals received in response to a competitive purchase exceed the estimated budget amount, or (v) all bids or proposals are determined not to meet the necessary qualifications.

b. Emergency. Where emergency circumstances exist. Emergency circumstances include any of the following: (i) a great public calamity (like a fire, flood, or earthquake), (ii) an immediate need to prepare for national or local defense, or (iii) an essential service affecting the public health, welfare, or safety would be greatly hampered if the normal purchasing procedures were followed.

c. Government. Any agreement entered into with another governmental entity.

d. Cooperative Purchase. Any agreement entered into pursuant to a cooperative purchasing or "piggybacking" approach, where another public agency has conducted a competitive procurement for the goods or services and authorized other public agencies to reply on that agency's contract, the goods or services ReGen requires are within the scope of that agency's contract, the contract is valid and active, and ReGen follows all of the procedures and requirements to rely on that agency's procurement.

e. Purchases Outside Scope. Purchases that do not meet the definition of Supplies and Equipment, General Services, Personal and Professional Services, and Public Works/Construction Projects (such as utility services, insurance premiums, expenditures related to payroll and employee benefits, real property leases, and disposal and processing agreements).

7. Local Preference

Except where prohibited by law or by a particular source of funds, local suppliers for Supplies and Equipment, General Services, and Public Works/Construction Contracts shall be eligible for a local preference as provided in this section.

For purposes of this section, the term "local supplier" shall mean a business or resident doing business (i.e., having a business license and reporting a location with the service area as the point of any business sales) and located (i.e., maintaining an office or location) within ReGen's service area for at least two (2) years prior to the solicitation.

Each local supplier who participates in a solicitation and is within five percent (5%) of the Lowest Responsible Bidder and who is otherwise responsive and responsible to the call for bids shall be provided the opportunity to reduce the local supplier's bid to the amount equal to the amount of the Lowest Responsible Bid, if the Lowest Responsible Bid was submitted by other than a local supplier. The opportunity to reduce the amount of the bid shall be provided first to the lowest eligible local supplier and, if not accepted by such local supplier within five (5) business days after the opening of bids, then to each successive eligible local supplier, in ascending order of the amount of bids, who is within five percent (5%) of the Lowest Responsible Bidder. In the event an

eligible local supplier reduces the bid to the amount of the Lowest Responsible Bid, the eligible local supplier shall be deemed to have provided the Lowest Responsible Bid and shall be awarded the contract.

The foregoing provisions apply only to competitive bids that require that contracts be awarded to the Lowest Responsible Bidder. For contracts awarded based on Best Value, the General Manager may consider, as one of the factors in evaluating the proposals, whether the proposal is submitted by a local supplier.

8. Environmental

It is the policy of ReGen to incorporate environmental considerations, including postconsumer recycled-content product use, into purchasing practices and procurements. Consistent with the Short-Lived Climate Pollutants: Organic Waste Reductions (SB 1383) regulations developed by CalRecycle:

a) If fitness and quality of Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all departments and divisions of ReGen shall:

    i. Purchase Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least 30%, by fiber weight, postconsumer fiber, whenever available at the same or a lesser total cost than non-recycled items, consistent with the requirements of the Public Contract Code, Sections 22150 through 22154 and Sections 12200 and 12209, as amended.
    ii. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchases (both recycled-content and non-recycled content, if any is purchased) made by a division or department of employee of ReGen on a schedule to be determined by the Recordkeeping Designee (but which shall be not less than annually). Records shall include a copy of the invoice or other documentation of purchase, written certifications for recycled-content purchases, vendor name, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled Content Paper Products and/or non-Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

b) All vendors that provide Paper Products (including janitorial Paper Products) and Printing and Writing Paper to ReGen shall:

    i. Provide Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, if fitness and quality are equal to that of non-recycled item, and available at equal or lesser price.
    ii. Only provide Paper Products and Printing and Writing Papers that meet Federal Trade Commission Recyclability standard as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

iii. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to ReGen. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing and Writing Paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.

iv. Vertify in writing, under penalty of perjury, that the Paper Products and Printing and Writing Paper offered or sold to ReGen is eligible to be labeled with an unqualified recyclable label as defined in Title 16 Code of Federal Regulations Section 260.12 (2013).

v. Provide records to the Recordkeeping Designee of all Paper Products and Printing and Writing Paper purchased from the vendor (both recycled-content and non-recycled content, if any is purchased) made by a division or department or employee of the Jurisdiction on a schedule to be determined by Recordkeeping Designee (but which shall be not less than annually). Records shall include a copy of the invoice or other documentation of purchase, written certifications for recycled-content purchases, purchaser name, quantity purchased, date purchased, and recycled content (including products that contain none), and if non-Recycled-Content Paper Products and/or non- Recycled-Content Printing and Writing Paper are provided, include a description of why Recycled-Content Paper Products and/or Recycled-Content Printing and Writing Paper were not provided.

c) All vendors providing printing services to ReGen via a printing contract or written agreement, shall use Printing and Writing Paper that consists of at least thirty percent (30%), by fiber weight, postconsumer fiber, or as amended by Public Contract Code Section 12209.

9. Surplus Supplies and Equipment; Disposal

The Board shall retain authority over identification of Surplus Supplies and Equipment where the original purchase price of the item exceed $200,000. Except as otherwise directed by the Board, the General Manager shall have authority over identification of Surplus Supplies and Equipment where the original purchase price of the item was equal to or less than $200,000.

The General Manager shall have authority over disposal of all identified Surplus Supplies and Equipment. Based on the General Manager's reasonable estimate of the market value of the Surplus Supplies and Equipment at the time of disposal, the General Manager shall disposes of items as follows:

a) Less than $2,500: by any method the General Manager deems reasonable and appropriate consistent with this Policy.

b) Greater than $2,500: by online government auction service, public notice and written bid, or reputable public action service.

Any proceeds from the sale of Surplus Supplies and Equipment will be accounted for in accordance with Generally Accepted Accounting Principles.

The General Manager shall have the authority to exchange or trade in Surplus Supplies and Equipment for new supplies, materials or equipment needed by ReGen, without further approval of the Board or publishing a notice of intent to do so.

ReGen Board members, employees, and agents are not permitted to purchase or receive Surplus Supplies and Equipment unless they purchase the item under a public auction process consistent with this section. Notwithstanding the foregoing, in no case may a ReGen Board member, employee, or agent purchase or receive Surplus Supplies and Equipment where such person made or participated in making the decision to procure the item in the first instance. Moreover, a ReGen Board member, employee, or agent may not participate in any decision related to the disposal of Surplus Supplies and Equipment if a conflict of interest, real or apparent, would be involved.

If law or public safety concerns render inappropriate the disposal of any item of Surplus Supplies and Equipment in the manner set forth herein, such item may be disposed of as required by law or by any other method deemed appropriate by the General Manager, regardless of the value of the item.

10. Ethics

All purchases shall be made consistent with the highest standards of integrity, full and open competition, and in the interest of and for the benefit of the public. No ReGen representative shall: aid or assist a bidder in securing a contract; favor one bidder over another except based on meritorious factors made know to all bidders; give or withhold information from any bidder not given or withheld from all other bidders; willfully mislead any bidder in regard to a proposed purchase; knowingly certify to a greater amount or higher quality of labor performed or material or supplies furnished than has, respectively, been performed or received; or accept gifts, rebates, money, or anything else of value if such item is intended as a reward or inducement for conducting business, placing orders with, or otherwise using the employee's position to favor the contributor.

All purchases shall be made consistent with ReGen's Conflict of Interest Code , Government Code section 1090, the Political Reform Act (Government Code section 87100 et seq.), and their implementing regulations.

There shall be no collusion between any potential respondent, any party or parties to whom a contract has been awarded, and/or any ReGen Board member, officer, employee, or agent.

Violation of any standards of conduct may result in immediate determination that a respondent is an irresponsible contractor and disqualified from participating in a procurement; determination that an awarded contract is null and void; and/or imposition of penalties, sanctions, or ither disciplinary actions as provided by federal, state, and local law.

11. Compliance with Law; Waiver

Any federal, state, or local law that conflicts with any provision of this Policy shall be deemed superior. The Board, in appropriate circumstances as determined by the Board and based on the best interests of ReGen, may waive any provision of this Policy.

12. Definitions

The following definitions shall apply to this Policy:

a) "Best Value" means ReGen awards to the highest-ranked bidder based on qualifications, skills, experience, approach to the project, and other factors in addition to price or fee (i.e., not necessarily solely based on the lowest price). The General Manager determines how to weight the evaluation factors, and discretion is applied to determine how a bidder and proposal should be evaluated against the factors.

b) "General Services" means services that do not involve specialized knowledge or skill, such as janitorial, pest control, landscaping, and maintenance work for public facilities.

c) "Lowest Responsible Bidder" means ReGen awards to the Responsible Bidder submitting the lowest responsive bid based on price (i.e., solely based on lowest price).

d) "Personal and Professional Services" means services that involve specialized knowledge or personal skill, such as accountants, architects, attorneys, auditors, construction managers, engineers, surveyors and other specialized consultants.

e) "Public Works/Construction Projects" means projects for the construction, alteration, repair, improvement, painting, reconstruction, or demolition of any public building, facility, street, sidewalk, utility, park or open space improvement, or other public improvement. "Public Works/Construction Project" does not include maintenance work, which includes routine, recurring, and usual work for the preservation or protection of any publicly owned or operated facility for its intended purpose, minor repainting, and landscape maintenance, including servicing of irrigation and sprinkler systems.

f) "Responsible Bidder" means a bidder that has the capacity in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance of the contract. In addition to factors specified in the notice inviting bids or request for proposals, factors to be considered in determining whether the standard of responsibility has been met include whether a bidder has:

   i. The ability, capacity, experience and skill to provide the services in accordance with bid specifications;
   ii. The ability to provide the services timely;
   iii. The equipment, facilities and resources of such capacity and location to provide the services;
   iv. The ability to provide future maintenance, repair, parts, and services, if applicable; and

v. A record of satisfactory performance under prior contracts with ReGen or other purchasers where such bidder has previously been awarded a contract.

g) "Supplies and Equipment" means supplies, equipment, materials, and goods, including tools, replacement parts, vehicles, furniture, and office supplies.

h) "Surplus Supplies and Equipment" means Supplies and Equipment owned by ReGen that is no longer needed or used by ReGen, as a result of age, obsolescence, damage, change in procedures, because more costly to maintain than replace, or otherwise.

SUMMARY OF PURCHASING POLICY REQUIREMENTS

The table below is intended to summarize the Purchasing Policy requirements; to the extent of any discrepancy between the table and Policy text, the Policy text controls.

	Estimated Aggregate Value of Purchase		
Type of Purchase	*Micro Purchase*	*Small Purchase*	*Large Purchase*
Supplies and Equipment; General Services	< $12,000 (total purchase price for supplies and equipment; or amount per agreement year for General Services) At least 1 informal bid or quote Award based on staff validation of price reasonableness GM (or designee) approval	$12,000-$200,000 (total purchase price for supplies and equipment; or amount per agreement year for General Services) At least 3 informal bids or quotes, where possible Award to Lowest Responsible Bidder GM (or designee) approval	> $200,000 (total purchase price for supplies and equipment; or amount per agreement year for General Services) Formal notice inviting bids required Award to Lowest Responsible Bidder Board approval
Personal and Professional Services	< $12,000 (per agreement year) At least 1 informal bid or quote Award based on Best Value GM (or designee) approval	$12,000-$200,000 (per agreement year) At least 3 informal bids or quotes, where possible Award based on Best Value GM (or designee) approval	> $200,000 (per agreement year) Formal competitive purchase (RFQ or RFP) required Award based on Best Value (except certain design professionals awarded consistent with mini Brooks Act, where price is not a factor) Board approval
Public Works/Construction Projects	< $12,000 (total project) At least 1 informal bid or quote Award based on staff validation of price reasonableness GM (or designee) approval	$12,000 - $200,000 (total project) At least 3 informal bids or quotes, where possible Award based on Lowest Responsible Bidder GM (or designee) approval	> $200,000 (total project) Formal notice inviting bids required Award to Lowest Responsible Bidder Board approval