

# MEMO



## Discussion/Action

### Item #: 12

Meeting Date: September 23, 2022

To: Board of Directors  
From: Director of Finance and Administration, Helen Rodriguez  
Approved by: General Manager, Felipe Melchor

### Subject: Revised Purchasing Policy

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#### Recommendation

Staff request that the Board approve a revised Purchasing Policy to 1) increase the General Manager's purchasing limit to \$75,000, 2) amend the Assistant General Manager with Director of Finance and Administration as secondary authorized approver of purchases, and 3) adding the Director of Operations as tertiary authorized approver of purchases in the absence of both the General Manager and Director of Finance and Administration.

#### Background

The Monterey Regional Waste Management District dba ReGen Monterey 's ("District") current policy limits the General Manager to a purchasing limit of \$30,000.

#### Discussion

In reviewing similar agencies, Salinas Valley Solid Waste Authority's General Manager's approval limit was \$50,000 in 2010 with a budget at that time equal to 50% of the 2010 District's budget. Monterey One Water's ("M1W") General Manger approval limit was approved in 2017 in the amount \$75,000 nearly five years ago. This is supportive of the \$75,000 request for the District's General Manager approval limit at this time. M1W's current Assistant General Manager and Chief Financial Officer's spending approval limit is greater than the District's General Manager's current approval limit of \$30,000.

From a national inflation perspective, the dollar had an average inflation rate of 2.59% per year between 2010 and today, producing a cumulative price increase of 35.87%. On \$30,000 in 2010, it translates to approximately \$41,000 today and that was at a time when the then budget was more than half the size of the District's current budget. The District's current budget increase is an additional factor to raise the approval limit.

After discussion at the Finance Committee on September 7, the following changes have been made to the attached draft revised policy:

1. Under the Purchasing Authority, the description of the selection process for purchases over \$30,000 has been updated to \$75,000.
2. Amend secondary authorized approval from Assistant General Manager to Director of Finance and Administration.

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*Let's not waste this.*



3. Adding the Director of Operations as tertiary authorized approver in the absence of both the General Manager and Director of Finance and Administration.

**Financial Impact**

There is no fiscal impact associated with changing the purchasing limit of the General Manager. The approved budget serves as the overall spending limit for the District and expenditures not currently budgeted will be presented to the Board for approval as deemed required.

**Conclusion**

Staff request, with the recommendation of the Finance Committee, the Board approve the Revised Purchasing Policy.

**Attachments:**

Revised Purchasing Policy – Red lined Draft

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT dba: ReGen Monterey**  
**PURCHASING POLICY**

Revised ~~April 2010~~ September, 2022

**Purchasing Authority**

1. The Board of Directors must approve all purchases by the Monterey Regional Waste Management District dba ReGen Monterey ("District") over ~~\$30,000~~\$75,000, unless the item being considered for purchase is a replacement part on equipment which is vital to the site operations or an emergency purchase, defined as a sudden, unexpected occurrence that poses a clear and imminent liability requiring immediate action to prevent or mitigate the loss or impairment of health, property, or essential public services.

Purchases of supplies and equipment over ~~\$30,000~~\$75,000 shall be from the lowest responsible, responsive bidder or proposer except as otherwise provided in this policy unless the Board of Directors has found by resolution that competitive bidding would be unavailing, would not produce an advantage and would not be in the public interest.

2. All purchases of ~~\$30,000~~\$75,000 or under must be approved by the General Manager or the ~~Assistant General Manager~~Director of Finance and Administration, in the absence of the General Manager. In the absence of both the General Manager and Director of Finance and Administration, the Director of Operations can approve all purchases under \$75,000. Whenever practical, ~~3~~three informal price quotes will be obtained for purchase(s) between ~~\$1,500~~\$5,000 and ~~\$30,000~~\$75,000.
3. The Board of Directors must approve any Capital Outlay purchase which is not included in the budget.
4. The General Manager is authorized to sign for all purchases approved by the Board of Directors.
5. Whenever practical, bids shall be solicited from businesses located within the District and such businesses shall be given preference when all other purchasing values are equal.

**Purchasing Code of Ethics**

Every employee of the District should seek to obtain the best value for each dollar expended and uphold the public's trust by processing public purchasing in an open environment. The District has established the following Code of Ethics to be adhered to by all District employees, including the General Manager, who participate in the procurement process:

1. To uphold and implement policies adopted by the Board of Directors, including the Green Purchasing and Sustainable Practices Policy;
2. To procure, without prejudice, the maximum value for each dollar expended, avoiding unfair practices and giving all qualified vendors equal opportunity except as otherwise provided in this policy for local businesses and for price preferences provided for in the Green Purchasing and Sustainable Practices Policy;
3. To exercise prudent judgment, comparative pricing whenever practical;
4. To, at no time and under any circumstances, conduct the public's business for private gain, accept gifts, gratuities or other things of value (directly or indirectly from suppliers) which might influence or appear to influence procurement decisions;
5. To refrain from knowingly influencing others to commit any act that would constitute a violation of this Code of Ethics.

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT dba: ReGen Monterey**  
**PURCHASING POLICY**  
Revised September 2022

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2. All purchases of \$75,000 or under must be approved by the General Manager or the Director of Finance and Administration, in the absence of the General Manager. In the absence of both the General Manager and Director of Finance and Administration, the Director of Operations can approve all purchases under \$75,000. Whenever practical, three informal price quotes will be obtained for purchase(s) between \$5,000 and \$75,000.
3. The Board of Directors must approve any Capital Outlay purchase which is not included in the budget.
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