[Water System Name]

# Procurement Policy

This procurement policy defines the guidelines and procedures for making purchases on behalf of [Water System Name]. It is designed to ensure that all purchases of goods and services are made in a consistent and ethical manner, aligning with [Water System Name] goals and objectives.

## Designated Purchasing Officer

Below is the name of the designated purchasing officer. This position is responsible for maintaining supply of goods and services necessary for continued system operations. This includes developing reliable alternative sources of supply. The acquisition of these goods and services should be done in a way that complies with all laws without qualification or evasion, is competitively priced, and that preserves a good business reputation. This position will be in charge of consulting with the financial manager on all orders and approving of all purchases less than $5,000.

|  |  |  |  |
| --- | --- | --- | --- |
| Designated Purchasing Officer: |  | Official Title: |  |

## Purchasing Levels and Approvals

|  |  |
| --- | --- |
| Price Range | Description and Approvals |
| $0 - $500 | No competing price quotes must be obtained, but they are still encouraged. Create a requisition to track the purchase, save all quote documents, consult with the financial manager, and have the purchase approved by the designated purchasing officer. |
| $500 - $5,000 | Obtain at least three competitive pricing quotes from vendors. Every quote should then be packaged in a requisition to be reviewed by the designated purchasing officer and the financial manager for approval. Quotes should be sent on vendor letterhead or another approved form. |
| $5,000 or above | For all purchases where the total cost exceeds $5,000, **an official sealed competitive bidding process must be conducted**. Competitive bids must be advertised via \_\_\_\_\_\_\_\_\_\_\_\_(newspaper, website, email, etc.) and mailed to all known vendors qualified to provide the desired goods or service.  Once the bidding period closes, all complete bids must be reviewed by the designated purchasing officer, the financial manager, and subsequently **must be approved by the board.** |

For the acquisition of professional services (including engineering, architects, auditing, accounting, etc.), the proposed scope of work must go out to a competitive sealed bid and may only be approved by the board of directors after receiving at least three competitive bids.

## Unauthorized Purchases

The following are examples of purchases that occur outside of normal purchasing policies or procedures and are therefore strictly prohibited. Should any of these unauthorized purchases occur, disciplinary actions will be taken, up to and including termination.

* **Order Splitting:** Splitting a purchase into smaller portions in order to avoid bidding requirements is prohibited.
* **Personal Purchases**: System officials, employees, nor their family members may utilize the systems contacts and purchasing processes to obtain any goods or services for personal use.
* **False Pretense:** Any purchases made for personal use under the pretense of use by the system is prohibited. This is considered an act of theft.
* **Unapproved Purchases:** Acquiring goods or services without proper approval is prohibited.
* **Unauthorized Additions to Purchase Orders:** Any changes made to a purchase order must be made through a change order and must receive approval from the appropriate authorities. If changes or additions to a requisition are not made in time, then another purchase requisition must be made for those items/services.

## Procurement Record Maintenance

* **Purchase requisitions**: Every order should start with a purchase requisition. This requisition should include the items being purchased and quantities, and then once available, the suppliers name, prices, and delivery dates.
* **Invoices**: Ensure all invoices are reviewed and approved by the proper personnel (accounts payable, purchasing officer) prior to payment being made.
* **Receipts**: File receipts and/or proof of delivery documents (PODs) with the original requisition and invoice to maintain proper tracking of all orders.
* **Vendor Contacts:** Maintain several vendor contacts for all routine products and services in the case of urgent purchases.

Any changes made to this policy must be reviewed and approved by the board of directors.

# Certification Statement

*“I have reviewed the policy above and sign below to signify that I acknowledge all that is contained. I, to the best of my ability, will carry out all policy components and requirements.”*

|  |  |  |
| --- | --- | --- |
|  |  | Primary System Operator |
| Print Name |  | Position |
|  |  |  |
| Signature Name |  | Date |

Acknowledgment by additional employees:

|  |  |  |  |
| --- | --- | --- | --- |
| **Name (Print)** | **Name (Signature)** | **Position Title** | **Date** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |