

**POLICY # 2135 Purchasing Policy**

EFFECTIVE DATE	3/29/2023	VERSION # 2
DATE OF LAST REVISION	3/22/2023	NEXT REVIEW DATE 4/1/2025

APPLIES TO

Division	Districtwide
Sub-Division	Finance

VERSION	REVISION DATE	DESCRIPTION OF CHANGE/SUPERSEDE	AUTHOR
1	10/28/2021	Initial	Finance Department
2	3/22/2023	Update	Annabel Grimm

RATIONALE

As a local agency, the Chico Area Recreation and Park District (CARD) shall define the procedures governing the procurement of supplies, materials, equipment, and services for District use. The Finance Department, under the direction of the General Manager, shall maintain adequate internal controls and procedures to restrict access to unauthorized purchases. The Finance Department Manager is responsible for preparing and monitoring procedures to carry out this policy in compliance with all applicable federal, state, and local laws and regulations.

This policy covers the purchase of goods and services excluding public works construction services. Those matters are addressed in other policies of the District: *Procurement of Contractors and Consultants*.

TERMS AND DEFINITIONS

TERM	DEFINITION
Decentralized purchasing system	Each operating Department is responsible for coordinating the purchase of goods and services needed for its operations.
Local agency	Every city, county, city and county, district, or any other local governmental body or corporation empowered to expend public funds for the acquisition of property.
Fixed asset	A long-term tangible asset that a firm owns and uses to produce income and is not expected to be used or sold within a year.

PROCEDURE

The policies outlined herein shall be adhered to by all District employees when procuring supplies, materials, equipment, and services. All costs should be considered (i.e., sales tax, freight, and installation) in defining the “purchase” price for comparison with the dollar thresholds indicated in this policy.

1) Responsibilities of Departments

CARD uses a decentralized purchasing system. Under this system, each operating Department is responsible for coordinating the purchase of goods and services needed for its operations. Each Department is responsible for the following:

- a. Anticipate purchasing requirements sufficiently in advance to allow adequate time to obtain goods and services in accordance with the best purchasing practices.
- b. Obtain full and open competition in a manner that presents the best overall value to the District and is in accordance with all District policies and procedures.
- c. Identify, evaluate, and utilize purchasing methods that best meet the needs of the District (e.g. blanket purchase orders, purchasing cards, contractual agreements, etc.).
- d. Supervise the receipt and inspections of all materials, supplies, equipment, and services purchased to ensure conformance with specifications.
- e. Recommend the disposition of surplus or unused supplies, materials, equipment, and scrap through the District’s Disposal and Surplus Supplies and Equipment Policy.
- f. NO “split” orders for the purpose of avoiding procurement requirements.
- g. Submit forms and adequate supporting documentation necessary for the purchase(s).

2) Purchase Documentation

All purchases must be documented and approved. Documentation includes appropriate sales quotes, bid proposals, purchase orders, receiving reports, invoices, receipts, expense reports, and account statements. All documentation for each purchase must be assembled and submitted to the Finance Department in a timely manner for payment after the purchase is properly approved.

3) Approval Limits and Thresholds

General purchasing approval limits are summarized as follows for Board approved budgeted operational items.

Expenditure Value	Approval Required
under \$2,000	Supervisor
\$2,000 to \$10,000	Department Manager
over \$10,000	General Manager

- a. To purchase small items costing less than \$1,000:

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- i. Vendors will be asked to submit pricing information through a written quotation. District accounts are then awarded to those firms that provide the best price, discount, service, etc. Acquisitions are processed on purchase order forms that list instructions to vendors.
 - b. To purchase items costing more than \$1,000 and up to \$20,000:
 - i. Quotes will be solicited from vendors and received by telephone or written quotation. Quotes will be solicited from at least two sources before selecting a supplier and processing a purchase order. The General Manager must approve purchase orders.
 - c. For items over \$20,000:
 - i. The District will attempt to provide a minimum of three (3) suppliers with a list of items to be purchased. Suppliers will provide written quotes for consideration and recommendation. The General Manager may approve the purchase if the item was appropriated in the Board approved budget. If the item was not appropriated in the Board approved budget, the Board of Directors must approve the purchase.
 - d. For items over \$50,000:
 - i. Adhere to section c. i, and;
 - ii. Prior to purchase, the General Manager will bring the purchase option to the Board of Directors for review.
 - e. Fixed Assets
 - i. Any commitment of District funds for the purchase of a fixed asset shall first be submitted to the Board of Directors for approval or shall be in conformance with prior Board action and/or authorizations through the budget process.
 - ii. Vehicles will be purchased through the State's Contract for Fleet Vehicles unless they can be acquired at the same cost or less expensively from local sources by competitive quotation bids in accordance with section 3.
 - f. For the convenience of the District, the General Manager may elect to use state and federal cooperative purchasing agreements, or government approved Multiple Award Schedules as authorized by Public Law and Public Contracting Code. Procurement sources include but are not limited to U.S. General Services Administration, California Multiple Award Schedules, Sourcewell, and alike.

4) Credit Card Purchases

The District may issue a purchase credit card to an employee when deemed necessary. Credit cardholders must be approved by the General Manager.

- a. All issued credit cards must have a signed Credit Card Request Form and a signed Credit Card User Agreement on file with the Finance Department.
- b. Purchases are subject to the Credit Card Policy established by the Board.
- c. Purchases are limited to budgeted expenditure items only.
- d. The employee's manager shall establish credit limits for each user based on anticipated purchases.

