



DATE: April 14, 2022

TO: Programs and Administration Committee

FROM: Timothy Burroughs, Executive Director
Pat Cabrera, Administrative Services Director

SUBJECT: Revisions to the Agency's Purchasing Policy

SUMMARY

At the April 14, 2022, Programs and Administration (P&A) Committee meeting, staff will recommend approval of revisions to the Agency's purchasing policy – specifically, changes to the Executive Director's expenditure authorization and specific bidding requirements.

DISCUSSION

The Executive Director currently has authority to approve contracts, purchase orders or other expenditures of funds to any one vendor or consultant up to \$50,000 per fiscal year; expenditures in excess of this amount require additional Board approval. These approval requests are generally done during the budget process or midway through the fiscal year.

The last such request was made at the December 9, 2021, P&A Committee meeting. At that meeting, the Committee reviewed the list of contractors and/or vendors and recommended WMA Board approval, which occurred at the December 15, 2021, WMA meeting. Also at that meeting, Board member Young suggested that the Board consider increasing the Executive Director's authorization limit to \$75,000 or \$100,000, since it has been several years since the threshold was increased. Board member Hannon requested that a survey of other local agencies be conducted for comparison purposes.

Staff conducted a survey of local jurisdictions to determine if there was a standard threshold and found that amounts vary, although there were several agencies that had at least a \$100,000 threshold (see Attachment 3).

Staff recommends changing the Executive Director's authorization threshold to \$100,000 (from \$50,000). Increasing the Executive Director's authorization will increase efficiency as there will be less need to prepare mid-year contract/vendor authorizations. Furthermore, the Committee has consistently approved forwarding the authorization list to the WMA Board. Therefore, this change will also free up time for the Committee to focus on more substantive issues.

In addition to surveying the authorization threshold, the survey also included gathering data on bidding requirements, as the Agency's bidding levels have not been increased since 1998 (while the Executive Director's authorization was increased from \$15,000 to \$50,000 in 2009, the other limits remained the same).

The survey showed variations in the thresholds regarding no bid, informal, and formal bidding for non-construction projects. The proposed thresholds are designed to increase efficiency while still ensuring that the Agency exercises due diligence in the expenditure of public funds. As outlined in the attached resolutions, the proposed changes are as follows:

- Change no bidding required to \$10,000 (from \$3,000)
- Change informal bidding (quotes) to \$30,000 (from \$15,000)
- Purchases over \$30,000 would require a formal bidding process
- Increasing emergency authorization (e.g., during a natural disaster) to \$200,000 (from \$100,000)
- Changes to the local preference policy to coincide with the changes to the purchasing policy

With respect to the local preference policy, staff is researching options for further expansion of this policy to specifically include women and minority owned business. Upon completion of this research and if feasible, staff will propose changes to this policy at a future date.

RECOMMENDATION

That the Programs and Administration Committee approve the revised purchasing policy and forward to the WMA Board for adoption.

Attachments:

Attachment 1: Purchasing Policy resolution (redlined)

Attachment 2: Purchasing Policy resolution (no redline)

Attachment 3: Survey of member agencies and other local jurisdictions

ATTACHMENT 1

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY

RESOLUTION #WMA ~~2009-05~~ 2022-XX

MOVED: ~~Wile~~
SECONDED: ~~Henson~~

AT THE MEETING HELD ~~NOVEMBER 18, 2009~~ APRIL 27, 2022

**THE AUTHORITY AUTHORIZES A REVISION TO THE POLICY REGARDING
PURCHASING APPROVALS AND REVISIONS TO THE LOCAL PREFERENCE POLICY**

WHEREAS, resolution 98-9 established a purchasing policy which was revised on November 18, 2009 ; and,

WHEREAS, this purchasing policy required certain bid procedures; and,

WHEREAS, this policy also established an expenditure approval limit for the Executive Director by which he or she can approve expenditures without Board approval; and,

WHEREAS, this limit has not been raised since ~~1998~~ 2009; and,

WHEREAS, this limit is low compared to several member agencies and similar regional agencies; and,

WHEREAS, raising this limit would create more operational efficiency by reducing excess and unnecessary paperwork; and,

WHEREAS, this revision was approved by the ~~Administration and Organization~~ Programs and Administration Committee at its meeting held ~~October 7, 2009~~ April 14, 2022; and

WHEREAS, this policy now supersedes Resolution No. ~~98-9~~ 2009-05.

NOW, THEREFORE, BE IT RESOLVED, that the Alameda County Waste Management Authority approves the following policy for implementation as of ~~November 18, 2009~~ April 27, 2022:

1. The Executive Director (or designee) is authorized to approve annual expenditures from agency funds authorized in the budget up to \$~~50,000~~ 100,000. Annual expenditures in excess of \$~~50,000~~ 100,000 must be approved by the Board. Annual expenditures are defined as cumulative expenditures per vendor or contractor per fiscal year.
2. Annual expenditures ~~less than~~ \$3,000 up to \$10,000 require no bidding process.
3. Annual expenditures ~~between~~ \$3,000 over \$10,000 to \$~~15,000~~ 30,000 normally require three informal bids. However, with acceptable justification, a ~~source~~ sole source vendor or contractor may be approved by the Executive Director for these amounts.
4. Annual expenditures greater than \$~~15,000~~ 30,000 normally require a formal bid process. However, with acceptable justification, a ~~source~~ sole source vendor or contractor may be approved by the Executive Director for amount greater than \$~~15,000~~ 30,000 up to \$~~50,000~~ 100,000.

5. In an emergency situation, such as a natural disaster, the Executive Director is authorized to approve expenditures up to ~~\$100,000~~ 200,000 and to bypass bid requirements in order to expedite the acquisition of necessary goods and services, the lease of office space, equipment, etc. These emergency expenditures do not have to be within the original budget allotment at the time they were secured. However, the Executive Director must advise the Board of these expenditures and any budgetary impacts within a reasonable time period.
6. In the event that applicable state and or federal laws mandate a different bidding process, those laws shall prevail.
7. The attached local preference policy has been revised to reflect the change in the Executive Director's signing authority only. All other provisions of the Authority's local preference policy remain intact.

ADOPTED BY THE FOLLOWING VOTE:

AYES: ~~Biddle, Freitas, Green, Henson, Keating, Landis, Leider, Natarajan, Quan, Souza, Sullivan, Waespi, Wile, Wozniak~~

NOES: ~~None~~

ABSTAIN: ~~None~~

ABSENT: ~~Carson, Fricke, Johnson~~

**Gary Wolff Arliss Dunn, Clerk of the Board
Executive Director**

Alameda County Waste Management Authority
Local Preference Purchasing Policy

- I. The Agency will give a 2.5% vendor bid preference to a local business for goods, materials and general services provided that the goods, materials and/or general services meet the standards set forth in the Agency's Environmentally Preferable Purchasing Policy (EPP). The Agency will give an additional 2.5% vendor bid preference to a local business that is also a certified small or emerging business for goods, materials and general services provided that the goods, materials and/or general services meet the standards set forth in the Agency's Environmentally Preferable Purchasing Policy (EPP).
 - A. General services are defined as basic operational services such as printers, gardeners, janitors, etc. General services differ from professional services, with professional services requiring a specialized expertise or skill set. Example, a gardener is considered general services, whereas a landscape designer would fall under professional services. The Executive Director, Administrative Director or designee will determine whether a contractor falls under the general services or professional services category.
 - B. A small or emerging business must be certified by the Alameda County Small Local & Emerging Business Program (SLEB).
 - C. A local business must be in operation in Alameda County for at least six (6) months to qualify for the local preference.
 1. The business must have a verifiable address in Alameda County and must be able to prove that the business has been in operation in Alameda County for at least six months.
 2. The business must have a valid business license with the local jurisdiction in which the business resides.
- II. The Agency will calculate the bid preference as follows:
 - A. The local vendor's bid will be reduced by 2.5% when comparing to other bids. Assuming all elements of the bid are equal (e.g., quality, timeliness of delivery, adherence to the EPP, etc) upon calculation of the 2.5% preference, if the local vendor has the lowest bid, it will receive the contract subject to the Executive Director's or, if over ~~\$50,000~~ 100,000, the Board's approval.
 - B. The local and certified small and emerging vendor's bid will be reduced by 5.0% when comparing to other bids. Assuming all elements of the bid are equal (e.g., quality of goods, timeliness of delivery, adherence to the EPP, etc) upon calculation of the 5.0 % preference, if the local and small or emerging vendor has the lowest bid, it will receive the contract subject to the Executive Director's or, if over ~~\$50,000~~ 100,000, the Board's approval.
- III. The Executive Director or designee may waive this preference and the bid process as a whole in the event of an emergency or if the operational effectiveness of the Agency would be seriously threatened if the purchase of goods or services was not made immediately.
- IV. Professional services contracts are exempt from the local vendor preference. However, when issuing a RFP or RFQ the Agency will pursue outreach of Alameda County contractors using available vendor information such as the Alameda County's vendor list.

ATTACHMENT 2

ALAMEDA COUNTY WASTE MANAGEMENT AUTHORITY

RESOLUTION #WMA 2022-XX

**MOVED:
SECONDED:**

AT THE MEETING HELD APRIL 27, 2022

**THE AUTHORITY AUTHORIZES A REVISION TO THE POLICY REGARDING PURCHASING APPROVALS
AND REVISIONS TO THE LOCAL PREFERENCE POLICY**

WHEREAS, resolution 98-9 established a purchasing policy, which was revised on November 18, 2009; and,

WHEREAS, this purchasing policy required certain bid procedures; and,

WHEREAS, this policy also established an expenditure approval limit for the Executive Director by which he or she can approve expenditures without Board approval; and,

WHEREAS, this limit has not been raised since 2009; and,

WHEREAS, this limit is low compared to several member agencies and similar regional agencies; and,

WHEREAS, raising this limit would create more operational efficiency by reducing excess and unnecessary paperwork; and,

WHEREAS, this revision was approved by the Programs and Administration Committee at its meeting held April 14, 2022; and

WHEREAS, this policy now supersedes Resolution No. 2009-05.

NOW, THEREFORE, BE IT RESOLVED, that the Alameda County Waste Management Authority approves the following policy for implementation as of April 27, 2022:

1. The Executive Director (or designee) is authorized to approve annual expenditures from agency funds authorized in the budget up to \$100,000. Annual expenditures in excess of \$100,000 must be approved by the Board. Annual expenditures are defined as cumulative expenditures per vendor or contractor per fiscal year.
2. Annual expenditures up to \$10,000 require no bidding process.
3. Annual expenditures over \$10,000 to \$30,000 normally require three informal bids. However, with acceptable justification, a sole source vendor or contractor may be approved by the Executive Director for these amounts.
4. Annual expenditures greater than \$30,000 normally require a formal bid process. However, with acceptable justification, a sole source vendor or contractor may be approved by the Executive Director for amount greater than \$30,000 up to \$100,000.

5. In an emergency situation, such as a natural disaster, the Executive Director is authorized to approve expenditures up to \$200,000 and to bypass bid requirements in order to expedite the acquisition of necessary goods and services, the lease of office space, equipment, etc. These emergency expenditures do not have to be within the original budget allotment at the time they were secured. However, the Executive Director must advise the Board of these expenditures and any budgetary impacts within a reasonable time period.
6. In the event that applicable state and or federal laws mandate a different bidding process, those laws shall prevail.
7. The attached local preference policy has been revised to reflect the change in the Executive Director's signing authority only. All other provisions of the Authority's local preference policy remain intact.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

Arliss Dunn, Clerk of the Board

Local Preference Purchasing Policy

- I. The Agency will give a 2.5% vendor bid preference to a local business for goods, materials and general services provided that the goods, materials and/or general services meet the standards set forth in the Agency's Environmentally Preferable Purchasing Policy (EPP). The Agency will give an additional 2.5% vendor bid preference to a local business that is also a certified small or emerging business for goods, materials and general services provided that the goods, materials and/or general services meet the standards set forth in the Agency's Environmentally Preferable Purchasing Policy (EPP).
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 - B. The local and certified small and emerging vendor's bid will be reduced by 5.0% when comparing to other bids. Assuming all elements of the bid are equal (e.g., quality of goods, timeliness of delivery, adherence to the EPP, etc) upon calculation of the 5.0 % preference, if the local and small or emerging vendor has the lowest bid, it will receive the contract subject to the Executive Director's or, if over \$100,000, the Board's approval.
- III. The Executive Director or designee may waive this preference and the bid process as a whole in the event of an emergency or if the operational effectiveness of the Agency would be seriously threatened if the purchase of goods or services was not made immediately.
- IV. Professional services contracts are exempt from the local vendor preference. However, when issuing an RFP or RFQ the Agency will pursue outreach of Alameda County contractors using available vendor information such as the Alameda County's vendor list.

ATTACHMENT 3
Authorization Thresholds and Bidding Limits (non public works purchases)
General and City Managers/Administrators and Executive Directors - Spring 2022

Member Agency	Chief Executive Spending Authority Threshold	No Bid Required (at or below listed amount)	Informal Bid Limit	Formal Bid Threshold
City of Alameda	\$75,000	\$1,000	\$25,000	\$25,001+
Alameda County	\$25,000	\$3,000	\$100,000	\$100,001+
Albany	\$25,000	\$2,500.00	\$10,000	\$10,001+
Berkeley	Services \$50,000; Goods, Materials, and Equipment \$100,000	\$25,000	\$25,000	\$25,001+
Castro Valley	\$60,000	\$60,000 (GM's Discretion)	\$60,000 (GM's Discretion)	\$60,001+
Dublin	\$45,000	\$5,000	\$10,000	\$45,001+
Emeryville	\$45,000	\$5,000	\$45,000	\$45,001+
Fremont	\$100,000	\$5,000	\$25,000	\$25,001+
Hayward	\$75,000	\$7,500	\$50,000	\$75,001+
Livermore	\$100,000	\$5,000	\$50,000	\$50,001+
Newark	\$50,000	\$500	\$9,999	\$10,001+
Oakland	\$250,000 normally; \$500,000 if council annual recess, no limit in an emergency	\$500	\$50,000	\$50,001+
Oro Loma	\$100,000	\$50,000	\$200,000	\$200,001+
Piedmont	\$75,000	\$5,000	\$75,000	\$75,001+
Pleasanton	\$100,000	\$10,000	\$100,000	\$100,001+
San Leandro	\$50,000	\$5,000	\$24,999	\$25,001+
Union City	\$75,000	N/A	N/A	\$50,001+
MTC	Current ED Authority is \$200,000, which resets by Committee	\$3,000 (currently evaluating increasing the limit to \$10,000)	\$25,000 (currently evaluating increasing the limit to \$100,000)	\$25,001+ (currently evaluating increasing to over \$100,000)
EBMUD	Materials: \$100,000 Services: \$80,000	\$10,000	\$80,000 for materials \$30,000 for services	\$80,001+ for materials \$30,001+ for services.
Dublin San Ramon Services District	\$175,000	\$15,000	\$45,000	\$45,001+
Alameda County Water District	\$100,000	\$10,000	\$25,000	\$25,000+
Zone 7 (Alameda County)	\$50,000	\$3,000	Goods: \$100,000 Services: \$50,000	Goods: \$100,001+ Services: \$50,001+