

TO: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

**AGENDA ITEM**

FROM: LISA BOGNUDA *LSB*  
FINANCE DIRECTOR

**2**

DATE: MARCH 12, 2015

**MARCH 16, 2015**

**REVIEW INFORMATION FOR INCLUSION IN THE  
2015-2016 FISCAL YEAR BUDGET**

**ITEM**

Review various schedules and financial information in the 2015-2016 fiscal year budget.

**BACKGROUND**

The following information is provided for the Committee's review:

- Attachment A - PROPOSED FIXED ASSET PURCHASES
- Attachment B - PROPOSED FLEET SCHEDULE
- Attachment C - PROPOSED DISTRICT PERSONNEL
- Attachment D - PROPOSED FUNDED REPLACEMENT PROJECTS
- Attachment E - PROPOSED CAPITAL IMPROVEMENT PROJECTS
- Attachment F - PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN  
WATER
- Attachment G - PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN  
TOWN SEWER AND BLACKLAKE SEWER

**RECOMMENDATION**

It is recommended that the Committee provide direction to Staff. Staff will incorporate the Committee's comments and recommendations into the draft 2015-2016 budget.

**ATTACHMENTS**

- See above

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ATTACHMENT A

NIPOMO COMMUNITY SERVICES DISTRICT  
 PROPOSED FIXED ASSET PURCHASES  
 2015-2016

<u>BUDGET ITEMS FOR 2015-2016</u>	#110 ADMIN	#125 WATER	#130 TOWN SEWER	#150 BL SEWER	TOTAL
Utility Billing/Fund Accounting Software - Carry over from FY 14-15	115,000	0	0	0	115,000
Wheel Loader for Southland WWTF - Carry over from FY 14-15	0	0	80,000	0	80,000
Shop Copy Machine	0	5,610	1,870	1,020	8,500
Plotter	0	5,710	1,900	1,040	8,650
Laboratory computer and software	0	0	21,250	3,750	25,000
Utility Pick Up Truck	0	23,100	7,700	4,200	35,000
Utility Cart for Southland WWTF	0	0	15,000	0	15,000
Diffuser Maintenance Platform for Southland WWTF	0	0	15,000	0	15,000
Trailer Mounted Air Compressor	0	15,000	0	0	15,000
Diaphragm Pump	0	5,000	0	0	5,000
	0	0	0	0	0
	<u>115,000</u>	<u>54,420</u>	<u>142,720</u>	<u>10,010</u>	<u>322,150</u>

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**ATTACHMENT B**

NIPOMO COMMUNITY SERVICES DISTRICT  
 PROPOSED FLEET SCHEDULE  
 2015-2016

	<b>OPERATIONS VEHICLES</b>	<b>YEAR</b>	<b>DATE PURCHASED</b>	<b>FISCAL YR PURCHASED</b>	<b>MILEAGE (Feb 2015)</b>
1	FORD F150 PICK UP (1)	2004	7/8/04	2004	109,552
2	FORD F250 DIESEL 4x4	2007	8/25/06	2007	75,522
3	FORD F150	2008	1/28/08	2008	59,647
4	FORD F150 4x4	2009	12/29/08	2009	63,681
5	FORD F150	2009	1/6/09	2009	49,463
6	FORD RANGER	2010	11/7/09	2010	14,417
7	FORD F250 DIESEL 4X4	2010	1/15/10	2010	21,193
8	FORD F150	2013	1/23/13	2013	29,291
9	FORD F150	2013	9/26/2013	2014	11,847
10	FORD F250	2015	11/7/14	2015	384

	<b>ADMIN VEHICLES</b>	<b>YEAR</b>	<b>DATE PURCHASED</b>	<b>FISCAL YR PURCHASED</b>	<b>MILEAGE (Feb 2015)</b>
11	FORD ESCAPE	2007	12/1/06	2007	22,646

	<b>OTHER OPERATIONS EQUIPMENT</b>	<b>DATE PURCHASED</b>	<b>MILEAGE/ HOURS</b>
12	FORD DUMP TRUCK	6/25/06	14,334
13	JOHN DEERE LOADER/BACKHOE JD110	1/2/08	263 hrs
14	JOHN DEERE BACKHOE JD310	9/3/09	271 hrs
15	VAC CON	2/10/10	11,325
16	FORD F550 SERVICE TRUCK	04/16/13	2,005
17	JOHN DEERE GATOR	4/18/14	183.5 hrs

(1) Surplus FY 15-16 and replace with new utility truck

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ATTACHMENT C

NIPOMO COMMUNITY SERVICES DISTRICT  
 PROPOSED DISTRICT PERSONNEL  
 2015-2016

<b>ADMINISTRATION</b>	<b>Totals for FY 14-15, as amended</b>	<b>Proposed Additions for FY 15-16</b>	<b>Proposed Totals for FY 15-16</b>
General Manager	1	0	1
Assist General Manager/Finance Director	1	0	1
Billing Clerk	1	0	1
Secretary/Clerk	1	0	1
Public Information Director/Clerk	<u>1</u>	<u>0</u>	<u>1</u>
<b>ADMINISTRATION SUBTOTAL</b>	<b><u>5</u></b>	<b><u>0</u></b>	<b><u>5</u></b>

<b>OPERATIONS</b>	<b>Totals for FY 14-15, as amended</b>	<b>Proposed Additions for FY 15-16</b>	<b>Proposed Totals for FY 15-16</b>
Director of Engineering and Operations	1	0	1
Assistant Engineer	1	0	1
Water Supervisor	1	0	1
Wastewater Supervisor	1	0	1
Utility Operator	3	0	3
Utility Worker	4	0	4
Maintenance/Customer Service Worker	2	0	2
Utility Office Assistant	<u>0.5</u>	<u>0</u>	<u>0.5</u>
<b>OPERATIONS SUBTOTAL</b>	<b><u>13.5</u></b>	<b><u>0</u></b>	<b><u>13.5</u></b>

<b>TOTAL</b>	<b><u>18.5</u></b>	<b><u>0</u></b>	<b><u>18.5</u></b>
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ATTACHMENT D



NIPOMO COMMUNITY SERVICES DISTRICT  
 PROPOSED FUNDED REPLACEMENT PROJECTS  
 2015-2016

<b>BUDGET ITEMS FOR 2015-2016</b>	#805 FUNDED REPLACEMENT WATER	#806 FUNDED REPLACEMENT SUPP WATER	#810 FUNDED REPLACEMENT TOWN SEWER	#830 FUNDED REPLACEMENT BLACKLAKE SEWER	TOTAL
Water Tank Mixing Project (1)	200,000	0	0	0	200,000
Water System Blow-Off Repair (1)	200,000	0	0	0	200,000
Fire Hydrant Replacements (2)	10,000	0	0	0	10,000
Valve Replacements (2)	20,000	0	0	0	20,000
Air Vac Replacements (2)	10,000	0	0	0	10,000
Well Refurbishment (2)	200,000	0	0	0	200,000
Branch Street Water Line Replacement (3)	100,000	0	0	0	100,000
Southland WWTF Bio-Solids Removal	0	0	200,000	0	200,000
Manhole Rehabilitation (2)	0	0	90,000	0	90,000
Lift Station Rehabilitation (2)	0	0	100,000	100,000	200,000
Blacklake WWRF Headworkds	0	0	0	160,000	160,000
Blacklake Sewer Master Plan (carry over remaining balance from FY 14-15)	0	0	0	30,000	30,000
	<u>740,000</u>	<u>0</u>	<u>390,000</u>	<u>290,000</u>	<u>1,420,000</u>

(1) Necessary for integration of Supplemental Water

(2) Water and Town Sewer Master Plan Projects

(3) Existing 6 inch diameter water line is failing

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ATTACHMENT E

NIPOMO COMMUNITY SERVICES DISTRICT  
 PROPOSED CAPITAL IMPROVEMENTS  
 PROJECT COST SUMMARY  
 2015-2016

<u>BUDGET ITEMS FOR 2015-2016</u>	<u>#700 WATER CAPACITY CHARGES</u>	<u>#710 TOWN SEWER CAPACITY CHARGES</u>	<u>#500 SUPPLEMENTAL WATER CHARGES</u>	<u>TOTAL</u>
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Phased Supplemental Water Project Phase 1 - carryover from FY 14-15	0	0	500,000	500,000
Phased Supplemental Water Project Phase 2A (Joshua Road Tank Project)	0	0	2,500,000	2,500,000
Update Water Master Plan - carry over from FY 14-15	200,000	0	0	200,000
Southland WWTF	0	100,000	0	100,000
	200,000	100,000	3,000,000	3,300,000

**NIPOMO COMMUNITY SERVICES DISTRICT  
PROPOSED CAPITAL IMPROVEMENTS  
DESCRIPTION OF PROPOSED PROJECTS  
2015-2016**

**Water Projects**

Supplemental Water Project Phase 1 - Completion of project construction and begin water delivery.

Supplemental Water Project Phase 2A - Design, bid, award contract and begin construction for Joshua Road Tank Project.

Water Master Plan - Request for Proposals, bid, and award contract.

**Town Sewer Projects**

Southland WWTF - Request for Proposals, bid and award contract for drying bed covers and safety surround for open aeration basin.

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ATTACHMENT F

**NIPOMO COMMUNITY SERVICES DISTRICT  
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN  
WATER DIVISION**

**SUPPLEMENTAL WATER - FUND #500**

	FY 15-16
Supplemental Water Project Phase 1	500,000
Supplemental Water Project Phase 2A and 2B	2,500,000
Supplemental Water Project Phase 3	0
<b>TOTAL</b>	<b>3,000,000</b>

**FOR PLANNING PURPOSES ONLY**

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
	0	0	0	0	500,000
	2,500,000	0	0	0	5,000,000
	0	0	5,000,000	0	5,000,000
	<b>2,500,000</b>	<b>0</b>	<b>5,000,000</b>	<b>0</b>	<b>10,500,000</b>

**WATER CAPACITY - FUND #700**

	FY 15-16
<b>Backbone Improvements</b>	
Water Storage Tank	0

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
	400,000	1,200,000	400,000	0	2,000,000

	FY 15-16
<b>Operational Improvements</b>	
Water Master Plan	200,000
Third connection to Blacklake Pressure Zone	0

	0	0	0	0	200,000
	100,000	0	0	0	100,000

	FY 15-16
<b>Eliminate Existing Bottlenecks</b>	
Camino Caballo - Blue Gum to existing 16 inch	0

	0	0	0	265,000	265,000
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**TOTAL**      **200,000**

	<b>500,000</b>	<b>1,200,000</b>	<b>400,000</b>	<b>265,000</b>	<b>2,565,000</b>
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**ATTACHMENT G**

**NIPOMO COMMUNITY SERVICES DISTRICT  
PROPOSED FIVE YEAR CAPITAL IMPROVEMENT PLAN  
TOWN AND BLACKLAKE SEWER DIVISIONS**

**TOWN SEWER CAPACITY - FUND #710**

Town Sewer Division	FY 15-16
Southland WWTF	100,000

**Collection System - Town Sewer Division**

Prohibition Zone Sewer Extensions	0
Division Street, Beverly to Frontage	0
Sewer Collection System master Plan	0

TOTAL 100,000

**FOR PLANNING PURPOSES ONLY**

FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
0	0	0	2,000,000	2,100,000

0	50,000	0	0	50,000
	390,000			390,000
200,000	0	0	0	200,000

200,000 440,000 0 2,000,000 2,740,000

**BLACKLAKE SEWER - FUNDED REPLACEMENT FUND #830**

Blacklake Sewer Division	FY 15-16
Lift Station Rehabilitation	100,000
Blacklake WWRF Headworks	160,000
Blacklake WWRF Pond 1 Liner Replacement	
Blacklake WWRF Generator	0

TOTAL 260,000

**FOR PLANNING PURPOSES ONLY**

FY 16-17	FY 17-18	FY 18-19	FY 19-20	Total
0	0	0	100,000	200,000
0	0	0	0	160,000
		200,000		200,000
200,000	0	0	0	200,000

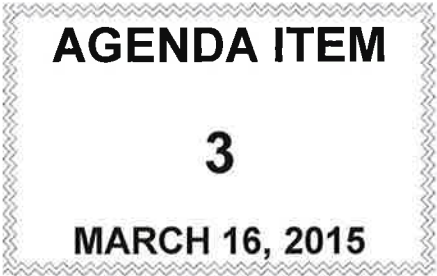
200,000 0 200,000 100,000 760,000



TO: MICHAEL S. LEBRUN *MSL*  
 GENERAL MANAGER

FROM: LISA BOGNUDA *LSB*  
 FINANCE DIRECTOR

DATE: MARCH 12, 2015



**REVIEW EMPLOYEE COST OF LIVING ADJUSTMENT (COLA)**

**ITEM**

Review employee Cost of Living Adjustment (COLA)

**BACKGROUND**

The NCSD Employee Handbook, Section 3000(D) states the following:

*Cost of Living Adjustments – Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, District Salary Schedule will be adjusted accordingly, thus keeping the schedule current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to subdivision C above in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved COLA, unless the employee is eligible for longevity pay.*

On December 13, 2006, the Board of Directors approved Resolution 2006-1000 which included:

*Approve the use of the Consumer Price Index-Urban Wage Earners and Clerical Workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).*

Staff computed the average of annual increase for the Consumer Price Index of Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose to be 1.9%. (Attachment D)

Since the adoption of Resolution 2006-1000, the Board approved COLA adjustments have been as follows:

Fiscal year	COLA Computation	Board Approved	Difference	Accumulated Difference
7/1/14	1.625%	1.625%	0.00%	(3.17%)
7/1/13	2.48%	2.48%	0.00%	(3.17%)
7/1/12	3.02%	1.50%	(1.52%)	(3.17%)
7/1/11	1.65%	0.00%	(1.65%)	(1.65%)
7/1/10	0.00%	0.00%	0.00%	0.00%
7/1/09	3.61%	3.61%	0.00%	0.00%
7/1/08	3.22%	3.22%	0.00%	0.00%
7/1/07	3.53%	3.53%	0.00%	0.00%

Staff contacted nearby Community Services District and obtained the following information:

	COLA 7/1/14	Expected COLA 7/1/15	How is COLA computed
Heritage Ranch CSD	2.0%	2.0%	Three year MOU provides a 2% COLA every year and phase in of employee contributing 3% to CALPERS in 2013, 1% in 2014 and 2% in 2015
Templeton CSD	0%	Not yet determined	Pay scales restructured September 2013
Cambria CSD	2.1%	Not yet determined	Union Agreement states COLA equal to average CPI April to April increase for Los Angeles/Anaheim/Riverside and San Francisco areas up to a maximum of 3%

**STRATEGIC PLAN**

Strategic Plan Goal 3 – Maintain a qualified, long-term and productive workforce to assure an effective organization.

**RECOMMENDATION**

It is recommended that the Committee review the COLA and direct Staff for budget preparation purposes.

**ATTACHMENTS**

- A. Section 3000(D) from NCSD Employee Handbook
- B. Resolution 2006-1000
- C. Excerpt from Bureau of Labor Statistics on how to compute the CPI
- D. Consumer Price Index information and computation

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Item 3

ATTACHMENT A

## CHAPTER THREE – HOURS OF WORK AND COMPENSATION

### 3000 - COMPENSATION

- A. New Introductory Employees:** All newly appointed introductory employees shall be paid at the first step of the salary range for the position to which the introductory employee is appointed except as provided elsewhere herein.
- B. Advanced Step Hiring:** If the General Manager finds that qualified applicants have greater experience or competencies than required at the first step of the salary range, the General Manager can extend an offer higher than the first step.
- C. Increase in compensation other than Cost of Living Adjustments (Step-Merit Increase):** After one year in a salary step (on the employee's Anniversary Date), employees may qualify for a step merit increase to the next step, provided the employee has performed satisfactorily, and provided management has determined that a step merit increase is appropriate. All decisions about step merit increases are subject to management's sole discretion; employees are not automatically entitled to or eligible for a step merit increase. A report verifying satisfactory performance of each employee recommended for advancement shall be submitted to and approved by the General Manager prior to final action on such recommendation.
- D. Cost of Living Adjustments:** Annually, the Board may consider a Cost of Living Adjustment (COLA). If the COLA is approved, the District Salary Schedule will be adjusted accordingly, thus keeping the schedule current. Therefore, an employee may receive both a Cost of Living Adjustment and an increase in compensation pursuant to subdivision C above in any given year until the employee reaches Step 5. Upon reaching Step 5, the only salary adjustments an employee will receive will be Board-approved COLA, unless the employee is eligible for longevity pay.
- E. Promotion:** Employees promoted to a position with a higher salary range shall be placed on the step of the range allocated to the new classification which would grant such employee an increase in pay no greater than five percent (5%). The increase may exceed five percent (5%) at the discretion of the General Manager, but shall not exceed the top step of the range allocated to the new classification. Employees who are promoted retain the same Anniversary Date for purposes of years of service and benefit accruals, but have a new Promotion Date for purposes of performance reviews and merit step increases.
- F. Lateral Transfer:** When an employee transfers to a different position or classification with similar responsibilities as his/her existing position (and has not been demoted), the affected employee shall be placed at a salary range within the new classification that is most consistent with the employee's existing salary range not to exceed Step 5 unless employee is eligible for longevity pay.
- G. Incentive Pay:** Operations Staff who successfully achieve Water or Wastewater Grade certificates over and above those required for the position while employed with the District will be entitled to receive a one-time incentive pay of \$500.00 for each certificate obtained. Once the employee achieves the certificate, it is their

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## CHAPTER THREE – HOURS OF WORK AND COMPENSATION

March 16, 2015

Item 3

**ATTACHMENT B**

**NIPOMO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2006-1000**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING THE MONTHLY SALARY SCHEDULE, PROPOSED SALARY  
RANGE PLACEMENT, AND CPI INDEX**

**WHEREAS**, the Nipomo Community Services District (herein "District") Board of Directors (herein "Board") is a local governmental agency formed and authorized to provide services within its jurisdiction, pursuant to Section 61000 et seq. of the California Government Code; and

**WHEREAS**, the Nipomo Community Services District contracted with a Koff & Associates, Inc. to perform a professional Salary and Benefits Survey; and

**WHEREAS**, the Board of Directors accepted and filed the final report titled "Total Compensation Study for the Nipomo Community Services District" on December 13, 2006; and

**WHEREAS**, Koff & Associates, Inc. recommended a new Monthly Salary Schedule and proposed Salary Range Placement in the report; and

**NOW, THEREFORE**, the Board of Directors of the Nipomo Community Services District does hereby resolve, declare, determine and order as follows:

1. Adopt the Monthly Salary Schedule (Exhibit "A")
2. Adopt the Proposed Salary Range Placement (Exhibit "B")

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3. Approve the use of the Consumer Price Index-Urban Wage Earners and Clerical Workers (Average of annual increase for the Los Angeles-Riverside-Orange County and San Francisco-Oakland-San Jose) for all future Cost of Living Adjustments (COLA).

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4. Authorize Staff to advertise for the positions of District Engineer, Utility Foreman and Water Conservation Specialist at the newly approved monthly salary schedule


On the motion of Director Trotter, seconded by Director Harrison, and on the following roll call vote, to wit:

AYES: Director Trotter, Harrison, Eby, Winn and Vierheilig  
NOES: None  
ABSENT: None

The foregoing resolution is hereby passed, approved and adopted by the Board of Directors of the Nipomo Community Services District this 13th day of December, 2006.

  
\_\_\_\_\_  
Lawrence Vierheilig, President  
Nipomo Community Services District

ATTEST:

  
\_\_\_\_\_  
Donna K. Johnson  
Secretary to the Board

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jon S. Seitz  
General Counsel

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Item 3

ATTACHMENT C



## Consumer Price Index

# How to Use the Consumer Price Index for Escalation

The Consumer Price Index (CPI) measures the average change in the prices paid for a market basket of goods and services. These items are purchased for consumption by the two groups covered by the index: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers, (CPI-W).

Escalation agreements often use the CPI—the most widely used measure of price change—to adjust payments for changes in prices. The most frequently used escalation applications are in private sector collective bargaining agreements, rental contracts, insurance policies with automatic inflation protection, and alimony and child support payments.

The following are general guidelines to consider when developing an escalation agreement using the CPI:

**Define the base payment** Define clearly the base payment (rent, wage rate, alimony, child support, or other value) that is subject to escalation.

**Identify which CPI series will be used** Identify precisely which CPI index series will be used to escalate the base payment. This should include the population coverage (CPI-U or CPI-W), area coverage (U.S. City Average, West Region, Chicago, etc.), series title (all items, rent of primary residence, etc.), and index base period (1982-84=100).

**Specify reference period** Specify a reference period from which changes in the CPI will be measured. This is usually a single month (the CPI does not correspond to a specific day or week of the month) or an annual average. There is about a two-week lag from the reference month to the date on which the index is released (that is, the CPI for May is released in mid-June). The CPI's for most metropolitan areas are not published as frequently as are the data for the U.S. City Average and the four regions. Indexes for the U.S. City Average, the four regions, three city-size classes, ten region-by-size classes, and three major metropolitan areas (Chicago, Los Angeles, and New York) are published monthly. Indexes for the remaining 23 published metropolitan areas are available only on a bimonthly or semiannual basis. Contact BLS for information on the frequency of publication for the 26 metropolitan areas.

**State frequency of adjustment** Adjustments are usually made at fixed intervals, such as quarterly, semiannually, or, most often, annually

**Determine adjustment formula** Determine the formula for the adjustment calculation. Usually the change in payments is directly proportional to the percent change in the CPI index between two specified periods. Consider whether to make an allowance for a “cap” that places an upper limit on the increase in wages, rents, etc., or a “floor” that promises a minimum increase regardless of the percent change (up or down) in the CPI.

**Provide for revisions** Provide a built-in method for handling situations that may arise because of major CPI revisions or changes in the CPI index base period. The Bureau always provides timely notification of upcoming revisions or changes in the index base.

### The CPI and escalation: Some points to consider

The CPI and escalation: Some points to consider The CPI is calculated for two population groups: All Urban Consumers (CPI-U) and Urban Wage Earners and Clerical Workers (CPI-W). The CPI-U represents about 88 percent of the total U.S. population and is based on the expenditures of all families living in urban areas. The CPI-W is a subset of the CPI-U and is based on the expenditures of families living in urban areas who meet additional requirements related to employment: more than one-half of the family's income is earned from clerical or hourly-wage occupations. The CPI-W represents about 29 percent of the total U.S. population. There can be small differences in movement of the two indexes over short periods of time because differences in the spending habits of the two population groups result in slightly different weighting. The long-term movements in the indexes are similar. CPI-U and CPI-W indexes are calculated using measurement of price changes of goods and services with the same specifications and from the same retail outlets. The CPI-W is used for escalation primarily in blue-collar cost-of-living adjustments (COLA's). Because the CPI-U population coverage is more comprehensive, it is used in most other escalation agreements. The 26 metropolitan areas for which BLS publishes separate index series are by-products of the U.S. City Average index. Metropolitan area indexes have a relatively small sample size and, therefore, are subject



to substantially larger sampling errors. Metropolitan area and other subcomponents of the national indexes (regions, size-classes) often exhibit greater volatility than the national index. BLS recommends that users adopt the U.S. City Average CPI for use in escalator clauses. The U.S. City Average CPI's are published on a seasonally adjusted basis as well as on an unadjusted basis. The purpose of seasonal adjustment is to remove the estimated effect of price changes that normally occur at the same time and in about the same magnitude every year (e.g., price movements due to the change in weather patterns, holidays, model change-overs, end-of-season sales, etc.). The primary use of seasonally adjusted data is for current economic analysis. In addition, the factors that are used to seasonally adjust the data are updated annually and seasonally adjusted data are subject to revision for up to 5 years after their original release. For these reasons, the use of seasonally adjusted data in escalation agreements is inappropriate. Escalation agreements using the CPI usually involve changing the base payment by the percent change in the level of the CPI between the reference period and a subsequent period. This is calculated by first determining the index point change between the two periods and then determining the percent change. The following example illustrates the computation of a percent change:

CPI for current period	232.945
Less CPI for previous period	229.815
Equals index point change	3.130
Divided by previous period CPI	229.815
Equals	0.0136
Result multiplied by 100	0.0136 x 100
Equals percent change	1.4%

The Bureau of Labor Statistics neither encourages nor discourages the use of price adjustment measures in contractual agreements. Also, while BLS can provide technical and statistical assistance to parties developing escalation agreements, we can neither develop specific wording for contracts nor mediate legal or interpretive disputes which might arise between the parties to the agreement.

For any additional information about the CPI, please call (202) 691-7000, or write to:

Bureau of Labor Statistics Office of Prices and Living Conditions  
2 Massachusetts Avenue, NE., Room 3615  
Washington, DC 20212-0001

**Last Modified Date:** September 25, 2013

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U.S. Bureau of Labor Statistics | Division of Consumer Prices and Price Indexes, PSB Suite 3130, 2 Massachusetts Avenue, NE  
Washington, DC 20212-0001

[www.bls.gov/CPI](http://www.bls.gov/CPI) | Telephone: 1-202-691-7000 | [Contact CPI](#)

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Item 3

ATTACHMENT D

**Consumer Price Index - Urban Wage Earners and Clerical Workers**

Series Id: CWURA421SA0  
 Not Seasonally Adjusted  
 Area: Los Angeles-Riverside-Orange County, CA  
 Item: All items  
 Base Period: 1982-84=100

Download: [.xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2004	181.7	183.4	184.9	185.2	186.8	187.4	186.8	186.5	187.8	189.8	190.3	188.5	186.6	184.9	188.3
2005	188.5	190.3	192.1	194.2	194.6	193.7	194.6	196.4	199.0	200.0	198.4	196.5	194.9	192.2	197.5
2006	198.3	199.9	200.8	202.9	205.0	204.2	204.5	205.0	205.3	203.5	203.3	202.9	203.0	201.9	204.1
2007	204.498	206.632	208.929	210.195	211.145	209.614	209.444	209.240	209.849	211.259	212.844	212.282	209.661	208.502	210.820
2008	213.825	214.231	216.493	217.914	219.702	222.435	223.245	221.230	220.285	218.726	214.083	211.007	217.765	217.433	218.096
2009	212.454	213.234	213.013	213.405	214.446	216.145	216.128	216.628	217.302	217.474	216.618	216.233	215.257	213.783	216.730
2010	217.290	217.090	218.157	218.475	218.787	218.222	218.367	218.752	218.427	219.339	218.694	219.619	218.435	218.004	218.866
2011	221.540	222.814	225.770	227.051	226.842	225.461	224.277	224.665	226.096	226.116	225.786	224.444	225.072	224.913	225.231
2012	226.245	227.585	230.281	230.023	230.180	228.917	228.446	230.229	231.085	233.431	230.426	228.940	229.649	228.872	230.426
2013	230.651	232.983	233.200	232.030	232.387	232.378	232.190	232.245	232.817	232.735	231.598	231.594	232.234	232.271	232.197
2014	232.578	233.886	235.500	235.717	236.647	236.880	236.963	236.504	236.451	235.921	233.896	232.330	235.273	235.201	235.344

Series Id: CWURA422SA0  
 Not Seasonally Adjusted  
 Area: San Francisco-Oakland-San Jose, CA  
 Item: All items  
 Base Period: 1982-84=100

Download: [.xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2004		194.1		194.7		195.4		195.0		196.4		195.9	195.0	194.4	195.7
2005		197.3		199.3		197.5		199.5		202.6		199.3	199.1	197.9	200.3
2006		202.5		204.9		205.2		206.7		206.2		205.6	204.9	203.7	206.1
2007		208.803		211.189		211.422		211.620		213.133		214.204	211.370	209.986	212.754
2008		214.913		217.913		221.454		221.385		221.192		213.685	218.441	217.487	219.396
2009		216.797		218.587		220.996		221.279		221.708		220.121	219.645	218.182	221.109
2010		222.049		223.821		224.185		224.195		224.352		224.152	223.624	223.012	224.236
2011		226.638		231.600		230.605		231.445		232.371		231.109	230.337	229.074	231.600
2012		234.648		236.626		236.890		238.445		240.864		236.454	237.097	235.572	238.622
2013		240.262		241.764		243.052		242.903		243.711		242.602	242.125	241.141	243.109
2014		245.148		247.932		250.085		249.877		250.508		247.680	248.326	247.097	249.555

**NIPOMO COMMUNITY SERVICES DISTRICT  
 CONSUMER PRICE INDEX ADJUSTMENT  
 PROPOSED FOR JULY 1, 2015**

	<u>SF</u>	<u>LA</u>	<u>AVERAGE</u>
CPI for current period	248.326	235.273	
Less CPI for previous period	(242.125)	(232.234)	
Equals index point change	6.201	3.039	
Divide by previous period CPI	242.125	232.234	
Equals	0.0256	0.0131	
Result multiplied by 100	0.0256 x 100	0.0131 x 100	
	<u>2.560</u>	<u>1.310</u>	<u>1.9</u>

TO: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

FROM: LISA BOGNUDA *LB*  
FINANCE DIRECTOR

DATE: March 12, 2015



**REVIEW PURCHASING POLICY**

**ITEM**

Review Purchasing Policy

**BACKGROUND**

The District adopted its current Purchasing Policy and Procedures in 2010. At the February 2, 2015 Finance and Audit Committee meeting the Committee directed Staff to provide recommended changes to the Purchasing Policy.

Attached is a red-lined version of the proposed changes to the Purchasing Policy.

**RECOMMENDATION**

It is recommended that the Committee review the proposed changes to the Purchasing Policy and provide direction to Staff.

**ATTACHMENT**

- A. Purchasing Policy

March 16, 2015

Item 4

ATTACHMENT A

# NIPOMO COMMUNITY SERVICES DISTRICT

## PURCHASE POLICIES AND PROCEDURES



**RESOLUTION NO. 2010-1201**

**SEPTEMBER 22, 2010**

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PURCHASE POLICIES AND PROCEDURES  
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**TITLE 8  
NIPOMO COMMUNITY SERVICES DISTRICT  
PURCHASE POLICIES AND PROCEDURES**

**CHAPTER 8.1  
POLICY**

**8.1.10. PROCEDURES**

This title provides the authority, approval requirements and procedures for the procurement of materials, supplies, equipment, Public Works and services referenced in the approved fiscal year budget.

**8.1.20. FISCAL YEAR BUDGET**

The fiscal year budget approved by the Board provides the authority to NCSD staff to procure materials, supplies, equipment, services and Public Works referenced in the approved budget for the upcoming fiscal year.

**8.1.30. CONFLICTS WITH LAWS**

In the event these policies and procedures are inconsistent with State or Federal law, then said State or Federal law shall control.

**8.1.40. SEVERABILITY**

If any one or more of the provisions/sections contained in these Purchase Policies and Procedures shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and these Policies shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

**8.1.50. MONITORING**

**A.** It is important for the NCSD to evaluate materials, equipment, and services of all current suppliers. Suppliers with a low rating can be viewed as costing the NCSD time and money, and, therefore, should be terminated upon documentation.

**B.** In an effort to obtain the best prices possible, vendors contacted for quotes and/or bids shall be regularly reviewed to ensure competitive pricing and maintenance of vendor lists.

**C.** This policy should be reviewed on an annual basis and changed where deemed appropriate to reflect changes in the NCSD's operations. The General Manager, acting with the

Board, may at any time make changes to this policy to facilitate a more efficient and accountable purchasing process for the NCSD.

**8.1.60. LIMITATIONS**

Except for Section 8.6.10 (B) these policies do not apply to payment of recurring expenditures.

**8.1.70. CONFLICTING PROCEDURES**

When contracting for services that includes the installation of equipment such as computers and electronic devices, the determination of whether the purchase should be as a procurement of material, supplies, and equipment or the procurement of services shall be made at the General Manager's discretion after giving consideration to the costs of the equipment, whether or not the equipment is unique to the person or firm providing the services and the cost of the services.

**8.1.80 EMPLOYEE CONFLICTS**

**A.** District employees are prohibited from using the following practices in conducting business activities:

**B.** Practices which might result in unlawful activity including, but not limited to, rebates, kickbacks or other unlawful consideration.

1. Participating in the selection process when the employee has a relationship with a person or business entity seeking a contract which would subject the employee to the same prohibition as in Govt. Codes Section 87100 related to Conflicts of Interest, which provides:

No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.

2. Purchasing or otherwise acquiring District property and equipment, including surplus property and equipment.

**C.** Employees may not perform services for the NCSD on a contractual basis. Employees may not economically benefit from their employment within the NCSD except as

related to their approved salary and benefits.

## CHAPTER 8.2 - GENERAL

### 8.2.10. DEFINITIONS

- A. General Manager. The NCSD General Manager and Treasurer or, in his/her absence, the Assistant General Manager.
- B. Assistant General Manager. The NCSD Finance Director and Assistant General Manager.
- C. Board of Directors or Board. The Board of Directors of a District that establishes policies for the operation of the District.
- D. Capital Equipment. Equipment with a purchase price of five thousand (\$5,000) dollars or more as designated by the General Manager.
- E. Contract. A written agreement covering the performance of work or services including the furnishing of labor, materials, tools and equipment in performing services to the NCSD. The term Contract includes Purchase Orders.
- F. NCSD. Nipomo Community Services District
- G. Department Manager. The General Manger, Assistant General Manager, ~~Utility Superintendent and District Engineer and~~ Director of Engineering and Operations.
- H. Change Order or Contract Amendment. Alterations, deviations, additions to or deletions from the plan, specifications and/or scope of services, including the right to increase or decrease the quantity of any item or portion of the work or services or to delete any item or portion of the work or services as may be deemed to be necessary, as determined by the District, for the proper completion, construction of the work or services contemplated.
- I. Task Order Contract. Contract with pre-qualified consultant or contractor where specific services are contracted for by Task Orders.
- J. Emergency. "Emergency" means a sudden, unexpected occurrence, involving a clear and imminent danger, demanding immediate action to prevent or mitigate loss of, or damage to, life, health, property, or essential public services.
- K. Purchasing Agent. Department Manager.

L. Purchase Order. A form designed to contain all necessary information and signatures relevant to purchases by the NCSD and is used as a written order to a vendor and may be either an original order or may confirm a verbal order. The current Purchase Order forms may be developed and/or modified from time to time at the discretion of the General Manager.

M. Recurring Expenditures. Administrative expenditures that occur from time to time in the normal course of NCSD business, including, but not limited to, the following: Utilities (electricity, natural gas, telephone service, etc.), servicing of District equipment pursuant to contract, fuel for operation of District vehicles and equipment, debt service payments, payroll, payroll taxes and benefits, insurance, postage, postage meter rental and on-going rental payments.

N. Warrants. Checks for payment of materials, supplies, equipment, Public Works and services received by the District.

O. Purchase Policy and Procedures or Purchase Policy(ies). Title 8 of the District Code.

#### **8.2.20. SIGNING AUTHORITY**

The General Manager, or in his/her absence the Assistant General Manager, is hereby authorized to sign on behalf of the NCSD the following documents:

A. Any documents necessary to conduct the general business of the NCSD that does not require prior approval of the Board.

B. Any documents necessary to conduct the general business of the NCSD requiring approval of the Board, after said documents have received approval of the Board, unless the Board specifies that the document be signed by the Board President.

#### **8.2.30. BUDGETED PROCUREMENTS**

A. Budget. At the beginning of each fiscal year the Finance Director shall issue a complete NCSD Budget approved by the Board. This budget will contain the purchasing account titles, description of line items, and numbers corresponding with budgeted funds for each item. Each NCSD department will receive its own budget for conducting purchasing transactions. It is the responsibility of each Department Manager to control spending and monitor the funds in the account line items that they are authorized to use. A monthly or

quarterly status report will be issued showing a comparison between budgeted amounts and the department purchasing activity.

**B. General Manager Approval.** Subject to Section C, below, the General Manager or, in his/her absence, the Assistant General Manager shall approve all Contracts, Contract Amendments, Change Orders, Task Order Contracts (and related Task Orders) and Purchase Orders.

**C. Board Approval Required.** Board approval is required for the following:

1.) Contracts, Contract Amendments and Purchase Orders for the purchase of supplies, equipment or materials where the estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

2.) Professional service contracts and Amendments where the estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

3.) Public Works contracts where the engineer's estimated cumulative cost is twenty-five thousand (\$25,000) dollars or more.

4.) Task Orders or Task Order Amendments where the original scope of service or work is exceed by ten thousand (\$10,000) dollars.

5.) Any procurement referred to the Board by the General Manager or Assistant General Manager.

#### **8.2.40. UNBUDGETED PROCUREMENTS**

The Board shall approve all unbudgeted expenditures except for the following:

**A.** The General Manager or, in his/her absence, the Assistant General Manager is authorized to approve unbudgeted expenditures up to five thousand (\$5,000) dollars for any single purchase.

**B.** Upon written finding of the General Manager that an emergency situation exists, the General Manager is authorized to approve unbudgeted expenditures up twenty-five thousand (\$25,000) dollars.

**C.** The General Manager shall account to the Board within thirty (30) days of the expenditures authorized by subparagraphs A & B, above and request the appropriate budget amendments and/or transfers.

**8.2.50. METHODS OF PROCUREMENTS.**

The following chart summarizes methods of procurement by category.

**A. Materials, Supplies and Equipment** – See Chapter 8.3, below, for procedures and limitations.

\$0-500	No Purchase Order Required
\$501-\$5,000	<del>Written Quote (minimum 2 quotes)</del> -Purchase Order or Contract Required
\$5,001-\$24,999	Written Quote (minimum <del>3</del> <u>2</u> quotes) Purchase Order or Contract Required
\$25,000 +	<del>Prepare Notice of Inviting Proposals for Board Approval</del> – Board Approval Required for Contract or Purchase Order

**B. Professional Services.** - See Chapter 8.4, below, for procedures and limitations.

\$0-\$24,999	Solicit Proposals From <del>a</del> -Qualified Consultant/Professional By Whatever Method The Purchasing Agent Deems Appropriate Under The Circumstances.
\$25,000 +	<del>Prepare Request For Proposals for Board Approval</del> – Board Approval of Contract Required.

**C. Public Works.** - See Chapter 8.5, below, for procedures and limitations.

\$0-\$24,999	Same as Material Supplies and Equipment (subparagraph A, above) by Purchase Order or Contract.  Construction – Comparative pricing or competitive bidding by Contract only.
\$25,000 +	Formal Bid Procedures – Board Approval Required.

**CHAPTER 8.3  
PURCHASE OF MATERIALS, SUPPLIES AND EQUIPMENT**

**8.3.10. INTRODUCTION**

A. The following procedures are established for the purchase of materials, supplies and equipment, as referenced in Government Code Section 54202.

B. In addition to the procedures of this Chapter:

1.) The NCSD may request the State Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10298 of the Public Contract Code; and

2.) The NCSD may request the Purchasing Agent of the County of San Luis Obispo to make purchases of materials, equipment, or supplies on its behalf pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

C. Methods of Procurement.

1.) Purchases of materials, supplies and equipment are normally made pursuant to Purchase Orders as described in this Chapter.

2.) In the discretion of the Purchasing Agent and with the approval of the General Manager and NCSD Legal Counsel a contract may be substituted for a Purchase Order.

**8.3.20. PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS**

For purchases of materials, supplies and equipment with an estimated cost of less than \$25,000 the following shall apply:

~~A. — Competitive written quotes applies to purchase of materials, supplies and/or equipment with an estimated price of greater than \$500.~~

B.A. - Types of Quotations:

Verbal - Verbal requests ~~for written quotations will be sent to a minimum of two (2) vendors~~ for purchases of standard or non-complex materials with an estimated price of \$501 to \$5,000 and not covered by a contractual agreement.

Written - Written requests for quotations (RFQ) will be sent to a minimum of ~~three~~ two(32) vendors under the following conditions:

a.) Purchases estimated to exceed \$5,000, but less than a total of

\$25,000.

~~b.) All Capital Equipment purchases exceeding \$5,000, but less than a total of \$25,000.~~

c.)~~b.)~~ Non-standard conditions, requirements, instructions, etc.

d.)~~c.)~~ Any occasion where more permanent documentation is advisable.

e.)~~d.)~~ Any purchase based on best value rather than lowest price.

**C. Award of Purchase Orders:** The Department Manager will examine the quotations for completion and thereon determine the most responsive bidder with consideration of price and date of delivery. The quotation will be attached to the Purchase Order. The purchase order and the award will be made by the Department Manager after review by the General Manager. The Department Manager or his/her designee will notify the successful and unsuccessful vendors.

### **8.3.30 PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT EQUAL TO OR GREATER THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS**

**A.** Purchases of material, supplies and equipment equaling to or greater than twenty-five thousand (\$25,000) dollars shall be approved by the Board with the vendor who, in response to the Notice of Inviting Proposals, submits a proposal that most closely meets the NCSD's specifications with the consideration of price and delivery dates.

**B.** The Notice of Inviting Proposals shall ~~be approved by the Board of Directors~~ ~~and~~ published and distributed by the Department Manager in a manner to reasonably assure that the proposed purchase is made to a vendor that most closely meets the NCSD's specification with consideration of price, availability of service and delivery dates.

**C.** Notice of Inviting Proposals shall include the following:

- 1.) A statement of specifications of equipment and/or supplies to be purchased;
- 2.) The location and deadline for submission of proposals;
- 3.) The location where the specifications and proposal blanks forms, if required, may be secured;
- 4.) The proposed delivery date and place of delivery;
- 5.) The date, time and place assigned for the opening of sealed proposals;



- 6.) The type and character of proposal security required, if any;
- 7.) A statement that the NCSD intends to award the Contract to the vendor who submits a proposal that most closely meets the NCSD specifications with the consideration of price and delivery dates;
- 8.) That the NCSD reserves the right to reject all proposals; and
- 9.) Notice that no vendor can withdraw its proposal for a period of sixty (60) days from the date of opening proposals.

**D. Alternative Procedure.** As an alternative to the procedures described in Paragraphs A, B and C, above, the Board may approve the purchase of supplies and equipment by accepting a proposal submitted by a vendor to another agency for similar equipment and/or supplies upon the Board approving the purchase by Resolution making the following findings:

1. The other agency's procedures for the purchase were substantially similar to the NCSD's procedures as stated in Paragraphs A, B and C, above.

2. The equipment and/or supplies to be purchased by NCSD is substantially similar to the supplies and equipment purchased by the other agency, so that the submitted proposals would be responsive to the NCSD's specifications.

3. The negotiations regarding the purchase are minor and the proposed purchase is consistent with the policy of awarding the contract to the most responsive vendor with the consideration of price and delivery date.

#### **8.3.40 NON-COMPETITIVE NEGOTIATIONS**

**A.** This approach involves procurement of materials, supplies and equipment through solicitation of a proposal from only one source. Such negotiations may be used in limited situations when the award of a contract or purchase order is not feasible under other methods upon the following findings:

- 1.) The purchase price is reasonable; and
- 2.) One or more of the following exists:
  - a.) The product is the only one that will properly meet the needs of the NCSD because:
    - The item is unique and is available only from a sole source; or

- The item is unique and is designed to match others used in or furnished to a particular installation, program, facility or location.

b.) The product will be used in a field test or experiment to determine the products suitability for future use.

c.) Public exigency or emergency will not permit delay.

d.) The Federal Grantor authorized non-competitive negotiations.

**B. Findings**

1.) The Department Manager shall make written findings referenced in subparagraph A2 above to be approved by the General Manager for purchases less than twenty-five thousand (\$25,000) dollars that are not otherwise approved by the Board.

2.) The Board by Resolutions shall adopt findings for purchases referenced in subparagraph A2 above for purchases of twenty-five thousand (\$25,000) dollars or more.

**8.3.50 PURCHASE ORDER PREPARATION**

**A.** Purchase orders shall be prepared from a properly completed purchase order form. The form is designed to contain all the necessary information and signatures relevant to the purchase within the NCSD.

**B.** The purchase order form is used as a written order to a vendor and shall include a Purchase Order number. A Purchase Order may also serve as a written change order. Purchase Orders must be approved as referenced in Section 8.3.2 above.

**C.** Each purchase order form shall be filled out by the NCSD employee prior to NCSD funds being obligated for a purchase and shall contain the following information:

- 1.) Purchase order number, date, department, and who wrote it.
- 2.) To whom the purchase order is issued, together with a complete address.
- 3.) Quantity/unit and description of item(s) to be purchased.
- 4.) Account number to be charged.
- 5.) Unit price and extended amount (depending upon quantity).

- 6.) If applicable, the words "OPEN PO" and "EXPIRATION DATE," not to exceed past the end of the current fiscal year, at the top of the purchase order form.
  - 7.) The words "NOT TO EXCEED" if it is for a repetitive purchase or a contract amount.
  - 8.) The total amount of the purchase order shall include charges for freight and tax, if applicable.
  - 9.) The initial purchase order MUST have attached to it the following: the written quote or estimate or a copy of the contract, or other backup supporting documentation.
- D.** The completed purchase order shall be distributed as follows:
- 1.) Vendor Copy (white original) – to be delivered to the vendor, if desired and or/required.
  - 2.) Accounts Payable (yellow carbon) – to be delivered to Accounts Payable and attached to the approved invoice.
  - 3.) Department Copy (pink carbon) – shall be maintained by the Department in chronological order for accountability purposes.
- E.** The purchase order must be submitted immediately to the General Manager or his/her designee. The purchase order date must precede the order date.
- F.** Any incomplete purchase orders will be returned to the Department Manager for completion.
- G.** Insofar that it does not conflict with any other Purchasing Policy limitations, a purchase order may be exceeded by up to 10% of the original purchase order amount. No increase may be given for quoted prices.
- H.** When a purchase order is intended to be used to issue a check, write "Check Request" on the purchase order.

#### **8.3.60 OPEN PURCHASE ORDERS**

- A.** A blanket or open purchase order can be used to reduce the time consuming process of filling out a purchase order form for each purchase when it is with the same vendor and for repeat materials.
- B.** Open purchase orders are to be used when the NCSD will:

- 1.) Purchase repetitive, specified services or items, or categories of items from the same vendor over a period of less than one year, or on a monthly basis.
- 2.) Order standard materials or maintenance supplies, which require numerous shipments.
- 3.) Obtain more favorable pricing through volume commitments.

C. An employee making a purchase with an open purchase order vendor shall immediately transmit the invoice to his/her Department Manager for processing. The Department Manager shall sign the invoice and indicate the budgetary account upon the face of the invoice and promptly route the invoice to Accounts Payable for payment.

D. Open purchase orders generally should NOT be used when:

- 1.) No benefit will be derived over and above a regular purchase.
- 2.) Prices are unknown at ordering time, or subject to change later without notice.
- 3.) Quality of vendor or service is questionable.
- 4.) Control over NCSD expenditures would be weakened significantly.

E. An open purchase order differs from the normal purchase order only in the date entry block that now has a date range not to exceed past the end of the current fiscal year.

F. Each year during the month of June, each Department Manager will review all department blanket purchase orders and reissue all necessary blanket purchase orders effective July 1.

## **CHAPTER 8.4 PROCUREMENT OF PROFESSIONAL SERVICES**

### **8.4.10 APPLICABILITY**

A. The procedures established herein are for the procurement of professional and consulting services including, but not limited to, auditors, electricians, financial advisors, technology advisors, rate consultants, plumbers, private architects, landscape architect, engineers, environmental consultants, land surveyors, and/or construction project managers.

B. It is the policy of the NCSD to employ professional and other consultant services whenever it is in the NCSD's best interest.

C. The requirements to solicit proposals referenced in Sections 8.4.40 & 8.4.50,

below, do not apply to:

- 1.) Contract Amendments so long as the amendment is related to the completion of the contemplated work or services of the original Contract.
- 2.) Contracts for the continuation of professional service where the key personnel providing services have relocated to a different firm or company.
- 3.) Contracts for services related to litigation.

#### **8.4.20 METHOD OF PROCUREMENT**

Procurement of Professional Services is normally made pursuant to a Contract or Task Order Contract.

#### **8.4.30 QUALIFICATIONS**

Professional service contracts shall be awarded on the basis of demonstrated competence and qualifications for the type of service to be performed and at a fair and reasonable price to the District.

#### **8.4.40 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS**

A. For contracts estimated to be less than \$25,000 the Purchasing Agent will solicit proposals from the qualified consultants and professionals by whatever method the Purchasing Agent deems most appropriate under the circumstances.

B. Professional services will only be procured by a contract that is approved by the General Manager and District legal counsel.

#### **8.4.50 PROFESSIONAL SERVICES WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE**

The following procedures shall apply the procurement of professional services with an estimated cost of twenty-five thousand (\$25,000) dollars or greater.

A. The Board of Directors shall approve the request for proposals and the award of professional service contracts.

B. The written contract shall be awarded to the professional service provider who, in response to a request for proposals, submits a statement of qualifications and proposal for services that most closely meets the District's requirements at a fair and reasonable cost.

#### **8.4.60 NON-COMPETITIVE NEGOTIATIONS**

**A.** This approach involves procurement of professional and consultant services through solicitation of proposals from only one source. Such negotiations may be used in limited situations based on the following findings:

- 1.) The service provider is qualified pursuant to Section 8.4.30.
- 2.) The cost of the services is reasonable; and
- 3.) One or more of the following exists:
  - a.) The proposed service provider is uniquely knowledgeable and qualified because similar/related services have been previously provided to the District; or
  - b.) An Emergency will not permit delay.

**B.** Findings

- 1.) The Department Manager shall make written findings referenced in subparagraph A, above, to be approved by the General Manager for Professional Services Contracts where the cumulative costs are estimated at less than twenty-five thousand (\$25,000) dollars that are not otherwise approved by the Board.
- 2.) The Board by Resolutions shall adopt findings references in subparagraph A, above, for Professional Services Contracts where the cumulative costs are estimated at twenty-five thousand (\$25,000) dollars or more.

### **CHAPTER 8.5 PROCUREMENT OF PUBLIC WORKS**

#### **8.5.10 APPLICABILITY**

- A.** The following procedures apply to:
- 1.) To the purchase of materials and supplies for the construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.
  - 2.) The construction or completion of buildings, structures or improvements as referenced in Public Contract Code Section 20682.5 .

B. These procedures do not apply to emergency procurement as defined in Public Contracts Code Section 22050.

C. In addition to the procedures of this Chapter, the District may request the purchasing agent of the County of San Luis Obispo to contract with persons to provide projects, services, and programs authorized by this division pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3.

**8.5.20 PURCHASE OF MATERIALS AND SUPPLIES FOR CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH A COST OF LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS**

The contract or purchase order for the purchase of materials and supplies for the construction or completion of buildings, structures or improvements where the estimated cost is less than twenty-five thousand (\$25,000) dollars shall be let pursuant to the quotation procedures referenced in Section 8.3.30.

**8.5.30 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES, OR IMPROVEMENTS WHERE THE ESTIMATED COST IS LESS THAN TWENTY-FIVE THOUSAND (\$25,000) DOLLARS**

A. The District may construct or complete any building, structure, or improvement with its own forces or by contract without bidding when the cost does not exceed twenty-five thousand (\$25,000) dollars.

B. Except as provided in subparagraph A, above, for the construction or completion of buildings, structures or improvements with an estimated cost of \$25,000 or less the Purchasing Agent shall seek the most favorable terms and price through comparative pricing or competitive bidding, whichever method the Purchasing Agent deems most appropriate under the circumstances.

**8.5.40 PURCHASE OF MATERIALS AND SUPPLIES FOR CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF \$25,000 OR MORE**

Contracts or purchase orders for materials and supplies for the construction or completing of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Sections 20680 et seq. of the Public Contract Code.

**8.5.50 CONSTRUCTION OR COMPLETION OF BUILDINGS, STRUCTURES OR IMPROVEMENTS WITH AN ESTIMATED COST OF TWENTY-FIVE THOUSAND (\$25,000) DOLLARS OR MORE**

Contracts for the construction or completion of any building, structure or improvement with an estimated cost of twenty-five thousand (\$25,000) dollars or more shall be contracted for and let to the lowest responsive and responsible bidder after notice pursuant to the provisions of Section 20680 of the Public Contract Code.

**8.5.60 AUTHORITY OF THE GENERAL MANAGER**

**A.** The General Manger is the District's authorized agent to consent to substitution of contractors as provided in Public Contract Code Section 4107.

**B.** Unless otherwise directed by the Board of Directors at the time of the award of the contract, the General Manager is authorized to execute changed orders up to 15% of the contract price upon a written finding of project budget consistency. Once the 15% is expended, further change order authority requires Board of Directors approval.

**CHAPTER 8.6  
PAYMENT**

**8.6.10 WARRANTS**

**A.** All supporting documents including the, Purchase Order, Task Order, proof of receipt, packing slip, etc. will be attached to the Invoice and presented to the General Manager for payment pursuant to subparagraph B, below. The Invoices will be reviewed and initialed by the General Manager verifying that the documents are internally consistent, that invoices being paid are original, that receipt of goods or services has been acknowledged by the NCSD Department Manager and that the amounts agree between documents.

**B.** The General Manager is authorized to approve Warrants for Recurring Expenditures that are within 110% of the budget. The Board of Directors shall approve all other Warrants as part of its approval of the Warrant Register.

**C.** A copy of the Warrant shall be made prior to it being mailed. The Invoice and supporting documentation shall be attached to the copy of the Warrant and then filed by vendor/service provider and separated by the fiscal year in which the payment was made.



## **8.6.20 CHECK SIGNING PROCEDURES**

**A.** The Directors of the District, the General Manager and the Assistant General Manager are authorized to sign checks on behalf of the District.

**B.** All checks issued by the District shall contain two (2) signatures, one of which shall be a Director of the District.

## **8.6.30 PAYMENT VIA NCSD CREDIT CARDS**

**A.** All purchases using a NCSD credit card are subject to the same requirements and procedures as outlined in of this policy, and the following additional requirements:

- 1.) All NCSD credit cards shall be issued on a department basis in the name of each Department Manager. The General Manager shall manage the administration of NCSD credit cards.
- 2.) Only the General Manager and the Department Mangers are authorized to sign credit card purchases. Department Managers may allow their department employees to use the department credit card; however, the Department Manager is responsible for its care and control.
- 3.) The following travel and meeting expenses are authorized to be paid by NCSD credit cards:
  - Telephone calls to the NCSD when out of town;
  - Expenses related to travel by car on NCSD business;
  - Lodging and meals when out of town on NCSD business; and
  - NSCD approved seminars and business meetings.
  - Credit card receipts SHALL BE obtained for these expenses and turned in immediately upon return to the NCSD Treasurer or his/her designee. If a credit card receipt is lost or misplaced, the receipt replacement form must be promptly filled out by the responsible person and turned in to the NCSD Treasurer or his/her designee.

- 4.) The credit limit on the NCSD credit cards shall be six thousand (\$6,000) dollars per month for the General Manager and one thousand (\$1,000) dollars per month for each Department Manager.
- 5.) Credit card purchases for orders that are made via telephone or Internet are permitted. Purchases over five hundred (\$500) dollars must be accompanied by a purchase order. A receipt must be obtained and turned in to Accounts Payable.
- 6.) The use of NCSD credit cards for personal purchases or spending is prohibited. Any violation of this policy will result in loss of NCSD credit card privileges and violations are subject to disciplinary action.
- 7.) Cash advances on any NCSD credit card are prohibited. Any violation of this policy will result in disciplinary action.

#### **8.6.40 PETTY CASH PROCEDURES**

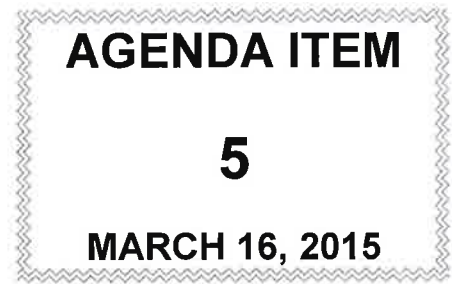
**A.** The NCSD Treasurer or his/her designee shall maintain a petty cash fund of two hundred (\$200) dollars.

**B.** Signed receipts are required for all withdrawals from petty cash. There are no exceptions to the receipt rule.

TO: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

FROM: LISA BOGNUDA *LSB*  
FINANCE DIRECTOR

DATE: MARCH 12, 2015



## REVIEW REQUEST FOR PROPOSALS FOR FUND ACCOUNTING AND UTILITY BILLING SOFTWARE

### ITEM

Review Request for Proposals (RFP) for Fund Accounting and Utility Billing Software.

### BACKGROUND

The District has been using the Corbin Willits System (aka MOM-Multiple Operating Manager) for 15 years. At that time, the District contracted with MOM to purchase the software for \$45,450 with an annual support contract of \$6,000 per year. The annual support contract is currently \$9,000 per year. MOM is a DOS-based system which is outdated and has not been updated to keep up with changing technology.

The FY 2014-2015 Budget includes budgeted funds of \$115,000 for a new software system.

The District sent out four Request for Proposals and posted the RFP on the District web site. Three proposals were received. Attached is a summary of the RFP's.

Staff has viewed on-line demonstrations from all three vendors.

### RECOMMENDATION

It is recommended that the Committee provide direction to Staff.

### ATTACHMENTS

- A. Summary of Request for Proposals

March 16, 2015

Item 5

ATTACHMENT A

FUND ACCOUNTING AND UTILITY BILLING SOFTWARE

SUMMARY OF REQUEST FOR PROPOSALS

	BLACK MOUNTAIN	CASELLE	TYLER
Started Business	1988	1979	1981
Headquarters	Montana	Utah	Texas
Public/Private Owned	Private	Private	Public
Government Clients	550	1,200	11,000
# of States	20	32	50
Employees	45	76	2,900
Live Technical Support	Toll free 7:00 a.m. to 5:30 p.m. Mountain Standard	Toll free 7:30 a.m. to 5:30 p.m. Mountain Standard	Toll free 7:00 a.m. to 7:00 p.m. Central Standard
Future Upgrades	No additional charge	No additional charge	No additional charge
Customers in our area	None	None	Heritage Ranch CSD Templeton CSD Oceano CSD City of Buellton City of Solvang
Unlimited users	Yes	No, quote includes 7 concurrent users	Yes
License Fees	\$68,150	\$48,690	\$33,064
Conversion of Data (Estimated)	\$7,685	\$17,540	\$25,500
<b>SUBTOTAL</b>	<b>\$75,835</b>	<b>\$66,230</b>	<b>\$58,564</b>
Initial Training and Implementation (Estimated)	On-line Included in price above, or Estimate to travel to NCSD \$5,686	\$7,250 and NCSD Staff must travel to Utah (estimate \$5,000), or \$21,000 on site in class room type setting (required)	\$37,500 on-site plus travel expense of \$10,900
<b>License + Conversion and Training Total</b>	<b>\$75,835-\$81,521</b>	<b>\$66,230-\$87,230</b>	<b>\$58,564-\$106,964</b>
Annual Maintenance Contract	\$15,895	\$16,200	\$12,546
Cloud Hosting Optional	Yes Additional Cost	Yes Additional Cost	Yes Additional cost

TO: MICHAEL S. LEBRUN *MSL*  
GENERAL MANAGER

FROM: LISA BOGNUDA *LSB*  
FINANCE DIRECTOR

DATE: MARCH 12, 2015

**AGENDA ITEM**

**6**

**MARCH 16, 2015**

**SET NEXT MEETING**

**ITEM**  
Set next meeting

**BACKGROUND**

Approved Budget preparation time line:

February 27	Capital Improvement Projects Budget and District Engineer submittals to Lisa
Week of March 9	Kick off meeting with Finance and Audit Committee to hear input
Week of April 13	Staff circulates Draft Budget to Finance and Audit Committee
Week of April 20	Staff meets with Finance and Audit Committee and receives recommendations/changes/deletions on Draft Budget
May 13	Review of Draft Budget by Board of Directors at Regular Board meeting
Week of June 1	Staff circulates Final Budget based on recommendations received by Board of Directors
June 10	Public Hearing and Adoption of 2015-2016 Budget

**RECOMMENDATION**

It is recommended that the Committee set the next meeting the week of April 20, 2015.

**ATTACHMENTS**

None