

BOLIVAR PENINSULA SPECIAL UTILITY DISTRICT

PURCHASING OF MATERIALS, SUPPLIES, EQUIPMENT OR SERVICES	POLICY P - 01	
<p><u>BUDGET</u></p> <p>Purchasing starts with an approved budget for operating and capital expenditures by line item or capital project. All purchases should be reflected in the budget. When a budget line item exceeds the annual budget by more than 10%, Board approval must be obtained at the following months Board Meeting before further purchases are made in that expense category or capital project.</p> <p><u>PETTY CASH PURCHASES UP TO \$100.00</u></p> <p>Items costing up to \$100.00 may be purchased using petty cash funds. However, the policy for petty cash must be followed.</p> <p><u>PURCHASES LESS THAN \$300.00</u></p> <p>Purchases less than \$300.00 do not require prior approval by the General Manager. However, a purchase order must be used for the purchase and a copy of the purchase order and a receipt/invoice must be given to the General Manager within two (2) business days of the purchase.</p> <p><u>PURCHASES GREATER THAN \$300.00 AND LESS THAN \$15,000.00</u></p> <p>Items purchased that cost over \$300.00 and do not exceed \$15,000.00 will require prior approval by the General Manager. Purchase can be made only after receiving an approved purchase order signed by the General Manager. A copy of the Invoice/receipt along with the purchase order should be submitted to the General Manager within two (2) business days following the purchase.</p> <p><u>PURCHASES GREATER THAN \$15,000.00 AND LESS THAN \$75,000.00</u></p> <p>All purchases greater than \$15,000.00 require approval from the District Board of Directors. A minimum of three (3) bids must be obtained using a standard bidding form. Bids are presented to the Board and once the Board of Directors approves the purchase, a purchase order signed by the General Manager must be obtained. If the District has an approved contract with a supplier, purchases greater than \$15,000.00 does not require further Board approval when covered by the contract.</p>		
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PURCHASING OF MATERIALS, SUPPLIES, EQUIPMENT OR SERVICES	POLICY P - 01	
<p><u>PURCHASES GREATER THAN \$75,000.00</u></p> <p>Purchases greater than \$75,000.00 require formal advertisement for letting of bids. The General Manager will advertise for bids and the advertisement will include the general condition, time and place of opening of sealed bids. The notice shall be published in one or more newspapers published in Galveston County. The notice shall be published at least once per week for two consecutive weeks and will allow for at least twenty-one (21) days prior to the date bids are opened. The Board of Directors may award the purchase to any reasonable person or persons who, in the Board’s judgment, will be most advantageous to the District and result in the best and most economical completion of the District’s goals.</p> <p><u>EMERGENCY PURCHASES GREATER THAN \$15,000.00</u></p> <p>In emergency situations that require a purchase of materials or services to be made prior to the scheduled Board meeting, the General Manager may obtain verbal approval from two officers of the Board of Directors. A report must be given to the Board of Directors by the General Manager at the next regularly scheduled Board meeting that includes the justification for the emergency purchase. If the emergency purchase is associated with a FEMA or HUD reimbursable project, a minimum of three (3) bids must be obtained prior to the purchase of materials or services.</p> <p><u>CAPITAL EXPENDITURES / PROJECTS</u></p> <p>All capital purchases or projects require approval of the Board of Directors. Capital Projects may span many weeks or months to complete and may require many purchases from different suppliers, Board approval of the project implies approval of all the purchases required to complete the project. The General Manager will provide the Board periodic updates on each project, including the amounts spent on the project to date.</p>		
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