

ORDINANCE NO. 116

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* (AGENCY), ESTABLISHING AND SETTING FORTH THE POLICIES GOVERNING AGENCY AUTHORITY AND DOLLAR LIMITS FOR BEST VALUE PROCUREMENTS AND PROCUREMENT-RELATED ACTIVITIES

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY* AS FOLLOWS:

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SECTION 1: PURPOSE

The purpose of the Agency Procurement Ordinance is to establish clear, transparent, and consistent procedures for acquiring goods, services, and work required by the Agency. This Ordinance aims to ensure that all procurement activities are conducted in a fair, efficient, and accountable manner, promoting competitive bidding and cost-effective outcomes.

In accordance with applicable laws and regulations, this Ordinance shall adhere to federal, state and local procurement standards. This ensures compliance with legal requirements while supporting ethical business practices and the responsible stewardship of public funds.

SECTION 2: PROCUREMENT DEFINITIONS AND INSTRUMENTS

1. Definitions: The following definitions shall apply to this Ordinance:

- A. "Appropriated Funding" shall mean funding which has been authorized by the Board as part of the adopted budget, or as a respective amendment thereto.
- B. "Authority to Approve" shall mean authority to designate appropriated funding for a specific procurement.
- C. "Authority to Commit" shall mean authority to effect and bind a procurement commitment, including contractual document execution, for a specific designated procurement.
- D. "Best Value Procurements" for procurements other than public works, shall mean an award based on the best overall value to the Agency including, but not limited to: acquisition cost; lifetime cost of ownership; ability, capability, and skills (e.g., experience, value-added services, etc.) of supplier/contractor; ability of supplier/contractor to meet the project schedule; character, integrity, reputation and judgment of supplier/contractor (e.g., from reference checks, site visits, and background checks); quality of previous work with Agency or other public entities; warranty or other documented considerations of value (e.g., discounted spare parts) offered to the Agency.
- E. "Board" shall mean Board of Directors of the Inland Empire Utilities Agency.
- F. "Budgeted Procurements" shall mean capital projects and operations and maintenance items that have been specifically identified and included as part of the adopted budget, or as a respective amendment thereof, and authorized by the Board.
- G. "Change Order" and "Amendment" shall mean any respective modification to an existing procurement or respective contractual document.
- H. "Competition" shall mean any award whereby a solicitation has been directed to multiple sources and where at least one response is received.
- I. "Competitively-let" shall mean the process of awarding a contract or agreement through a competitive bidding process by inviting qualified vendors or suppliers to submit bids or proposals. Depending on the nature of the solicitation, the award may apply to the lowest responsive and responsible bidder, evaluated based on predefined criteria, such as price or best overall value.
- J. "Contingency" shall refer to an identified percentage of a project's total funding as approved by the Board of Directors assigned to that specific project during the approval process.
- K. "Contracts and Procurement" (CAP) shall refer to the division (unit) charged with the responsibility and authority to manage all aspects of the solicitation, negotiation, award, acquisition, contract administration, and surplus/disposal processes for goods, services, property and minor construction (excludes major

public works and emergency procurements awarded through and administered by the Engineering Department with the Technical Resources Division).

- L. “Contractual Document” shall mean the document which binds Agency commitment of a procurement; such as a contract, agreement, lease, purchase order, change order, task order or any amendment thereto.
- M. “Cooperative Procurement” shall mean a procurement (i.e., combining of requirements) conducted on behalf of two or more public procurement units in-order to obtain the benefit of volume purchasing, economies of scale, and/or reduction in administrative expenses.
- N. “Delegate Authority” shall mean authority to assign authority, at specified limits, to respective peers or subordinate staff.
- O. “Electronic Procurement” or “e-Procurement” shall mean the use internet-based tools and platforms for the handling of procurement process tasks such as requisitioning, sourcing, and purchasing goods and services including obtaining quotes directly from vendor websites and submitting request for quotes via email.
- P. “Electronic Sourcing” or “e-Sourcing” shall mean an internet-based acquisition process that allows for identifying, evaluating, and selecting suppliers by electronically posting the request for quotes, proposals, or bids via an online portal.
- Q. “Emergency Procurement” shall mean any procurement required for the prevention against imminent danger, or to mitigate the loss or impairment of: life, health, or safety of the public, Agency employees, suppliers, contractors; public or private property; prevention of high probabilities of violation and compliance with critical permits and regulatory requirements; or any other condition which cannot reasonably be foreseen and would have a significant effect on the public’s health/safety or that could have a significant adverse financial impact on the Agency.
- R. “Follow-On” work refers to additional construction or service tasks directly related to a primary contract. This work usually arises after the initial project is completed or near completion and is necessary to support, maintain, or enhance the original project. Follow-on work is often unanticipated at the project’s inception and is awarded as a separate, subsequent contract or as an amendment to the original contract.
- S. “Formal Solicitation” shall mean the issuance of a written request for sealed bids, proposals, or quotations when the estimated value of goods or services exceeds the predetermined threshold set by the Agency. The thresholds are established to ensure transparency, fairness, and compliance with legal requirements, particularly for high-value procurements.

- T. "Informal Solicitation" shall mean the verbal or written request for a verbal or written bid, proposal, or quotation when the estimated value of goods or services fall below the predetermined threshold set by the Agency. The thresholds define a less formal, quicker process that can be used without the need for extensive documentation or competitive bidding.
- U. "In the absence of ..." shall mean a reasonable amount of time away from the office, exceeding 24 hours.
- V. "Master Contracts" shall mean competitively let contracts issued to one or more qualified suppliers/consultants/contractors where work shall be performed by task orders. Task orders under the master contract do not have a Board-approved expenditure limit, unless specifically required or otherwise approved by the Board of Directors. Each supplier/consultant/contractor will have their own contract with the Agency with a combined or shared total Not-to-Exceed (NTE) budget.
- W. "Negotiated Procurement" shall mean a documented procurement whereby competitive practices may not be practical; due to a unique circumstance such as special pricing, limited time offer, complex contractual terms (e.g., power purchase agreements, energy, specialized technology) and discussions and bargaining are used to finalize the procurement.
- X. "Non-Fiscal" shall mean having no direct impact on appropriated budgets, or otherwise requiring financial commitment of the Agency.
- Y. "Piggyback Procurement" shall mean utilizing another public agency's contract or agreement to obtain more advantageous prices and terms than can be otherwise obtained on the open market.
- Z. "Pre-Qualification" shall mean the process (Request for Qualification – RFQ) in which factors such as qualifications, experience, financial capability, reputation, and management are evaluated to develop a list of qualified businesses that may be permitted to submit bids or proposals. This process is conducted by Agency units, departments or divisions such as Engineering, or other applicable units, to identify "prime contractors", suppliers/consultants/contracts to bid on public works or other Agency projects.
- AA. "Procurement" shall mean the purchase or otherwise compensatory securing of materials, supplies, services, leases, equipment, real property, or public works services.
- AB. "Procurement Aggregate" shall mean the total of the initial procurement and all respective change orders or amendments.
- AC. "Professional Services" shall mean any specially trained and experienced individual, firm or corporation, providing services and advice in financial,

economic, accounting, engineering, information services, technical, architectural, or other administrative/professional matters.

- AD. “Public Works” shall mean the erection, construction, alteration, repair, maintenance or improvement of any public structure, building, road, or other public improvement of any kind done under contract or paid in whole or in part out of public funds as specified in the California Public Contract Code;
- AE. “Reverse Auction” shall mean a competitive electronic solicitation process for equipment, materials, supplies, and services in which bidders compete against each other in real time in an open and interactive web environment.
- AF. “Single Source” shall mean a procurement action where there is a compelling reason for selection of a preferred brand or vendor: such as standardization; time/schedule constraints; technical expertise; follow-on work to an existing contract to be procured; etc. A comprehensive, compelling written justification shall be included in the request.
- AG. “Sole Source” shall mean a procurement action where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment manufacturer, and copyrights. A comprehensive written justification shall be included in the request.
- AH. “Surplus Personal Property” shall mean items having no further use to the Agency; such as scrap, broken, obsolete, abandoned, or unusable materials or equipment.
- AI. “Task Order” shall mean the authorization of specific portions of work or services to completed under the terms, conditions and pricing, established by an overarching master contract.
- AJ. “Trades and Exchanges” shall mean authorized surplus items used for the acquisition of materials, supplies, services, leases, and/or equipment.
- AK. “Unauthorized Procurements” shall mean work or procurement initiated by staff without the prior approval of the Board of Directors (Board), General Manager (GM), Deputy General Manager (DGM), Assistant General Manager (AGM), or the Manager of CAP, based upon authorization thresholds identified herein; as evidenced by an approved purchase requisition and an executed procurement instrument. Should it be necessary to interpret what is or is not an unauthorized procurement, General Counsel shall provide the interpretation on behalf of the Board of Directors.
- AL. “Uniform Guidance” shall mean Title 2 of the Code of Federal Regulations (2 CFR) 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

AM. “Where possible and practical ” shall mean CAP’s discretion to make a documented decision in the best interest of the Agency.

2. Procurement Instruments: All procurement actions, shall be at the discretion of the Board, the GM, the DGM, the AGM, the Manager of CAP, or as authorized by one of the aforementioned authorized designees, using one of the following respective instruments:
 - A. Petty Cash – For limited amount cash advance or reimbursement; or,
 - B. Agency Check – A draft drawn on an Agency bank account for the procurement of goods and services; or,
 - C. Blanket Purchase Agreement (BPA) – Simplified procurement method to fill annually anticipated repetitive needs for supplies or services; or
 - D. Contractual Document – (See Section 1.K above); or,
 - E. Procurement Card – Cost efficient, alternative method for purchasing low dollar materials, goods, supplies and services in accordance with informal competitive solicitation limits for single quote transactions as identified in Section 3.1.B.2

SECTION 3: EXPENDITURE APPROVALS AND REQUIREMENTS

1. All purchases, agreements, services, leases, and/or contracts including construction contracts, for materials, goods, supplies, equipment, and other personal property shall be made in accordance with this Ordinance.
2. Splitting or separating of material, goods, supplies, services, leases, and equipment orders or projects for the intended purpose of evading the requirements of this Ordinance is strictly prohibited.
 - A. Splitting is defined as
 1. A series of more than one purchase request transaction for the same project requested separately and/or paid for using separate procurement instruments or methods in order to evade either the solicitation requirements or the higher approval thresholds.
 2. Discrete subsequent amendments or change orders that are for separate subprojects or disciplines (e.g., structural or electrical design of a larger project) under the same contract do not apply to this provision.
 - B. Subsequent follow-on requests, at the discretion of the Manager of CAP, may require inclusion in the GM Report to the Board or other report to notify the Board. Construction contracts may have subsequent change orders in accordance with the requirements of the Public Contract Code. Task Orders under the Master Contract Program do not fall under the provision of this requirement.

3. Procurement authorization parameters and limits are as follows:

A. Approval and execution of original procurements as indicated in the following table and as delegated below.

Approver	Emergency	Competitively-Let	Single or Sole Source	Public Works Change Order & Amendments	Non Public Works Change Order & Amendments
Board		>\$150,000	>\$150,000	>\$150,000	>\$150,000
GM	Unlimited	≤\$150,000	≤\$150,000	≤\$150,000*	≤\$150,000
DGM/ AGM	As delegated	≤\$150,000	≤\$150,000	≤\$150,000	≤\$150,000
Mgr. of CAP	As delegated	≤\$150,000	≤\$150,000	≤\$150,000	≤\$150,000

* See Section 3.B.2 for General Manager (GM) Change Order approval thresholds for contracts in excess of \$100,000,000.

1. Board approval is required for competitively let procurements greater than \$150,000, unless the procurement is a competitively-let “budgeted procurement” under \$350,000, specifically identified as a detailed line item in the adopted budget.
2. Board approval is required for single or sole source procurements greater than \$150,000.
3. The GM is authorized to approve and execute competitively let procurements and single or sole source procurements less than or equal to \$150,000, respectively.
4. The GM is authorized to delegate authority to approve and execute procurements less than or equal to the limits established for the GM.
5. In the absence of the GM, the DGM or AGM, the Manager of CAP is authorized to approve and execute procurements, and single or sole source procurements less than or equal to \$150,000, respectively.
6. The DGM or AGM is authorized to delegate that authority to approve and execute procurements, less than or equal to that limit which has been established for their position.
7. All public works procurement/awards shall include the following contingency levels:
 - a. Under \$500,000 shall have a 25% contingency added to the award authorization.

- b. Over \$500,000, shall have a 10% contingency added to the award authorization.

B. Change order and amendment authorization parameters and limits are as follows:

1. Any single change order or amendment, requires Board approval and execution for requests exceeding \$150,000.
2. The GM is authorized to approve and execute respective Public Works Change Orders according to the limits listed in the table below. Any single change order exceeding the limits in the table below requires Board Approval. Any change order executed pursuant to this section will be reported to Board by the GM.

Approver	Value of Awarded Construction Contract	Public Works Change Orders
General Manager	<\$100,000,000	\$150,000
	>\$100,000,000 & <\$300,000,000	\$300,000
	>\$300,000,000	\$500,000

3. Board approval is required when the cumulative total of the non-public works change orders or amendments exceed twice the contract value and are in excess of the GM approval limit for contracts.
4. The GM may delegate this authority up to the limit established for the GM.

C. The Manager of CAP is authorized to execute all approved and budgeted procurements made by purchase orders and change orders; as well as contracts, contract amendments, and task orders up to the Manager's internal approval limit or as otherwise delegated.

D. The Manager of CAP is authorized to establish and approve all BPAs, in the best interest of the Agency.

E. The Manager of CAP is authorized to request an interpretation for any procurement from General Counsel pertaining to this Ordinance. General Counsel's opinion shall be conclusive.

F. The GM is authorized to terminate any procurement or contractual obligation less than or equal to \$500,000, in the best interest of the Agency.

SECTION 4: SOLICITATIONS AND TERM LIMITS

- I. Solicitations for best value to the Agency and their parameters and limits (subject to other provisions of this section) are as follows:

- A. Formal Competitive Solicitations:

1. Shall be required for all Agency procurements as set forth and adjusted by applicable CA Public Contract Code (PCC).. The use of e-procurement through the online solicitation system, is acceptable for issuance of formal solicitations as well as the receipt of proposals or bids (unless specifically stated otherwise within the solicitation documents). Public works construction may be advertised in publications, on the Agency's website or through the online solicitation system.
2. Shall, at a minimum, be advertised in one general circulation newspaper within the Agency's geographic boundaries and/or advertised on either the Agency's website and/or a regional purchasing website as determined by the Manager of CAP, and include documented outreach toward Disadvantaged and Small Business Enterprises whenever there are grant or Federal or State funding sources involved.
3. Shall, whenever possible and practical, provide a minimum of 14 calendar days for response.
4. Shall provide a minimum of 45 calendar days for response, where Federal or State funding sources are involved.
5. Shall require the receipt of a minimum of one competitive response; or, have been directed to a minimum of five qualified potential respondents, when available.
6. Public works bids shall be publicly unsealed, and the respective dollar amount(s) announced. This may be facilitated electronically through the online solicitation system at the discretion of the Manager of CAP.
7. For procurements funded by a Federal or State loan or grant, in addition to the grant award's specific terms and conditions, the relevant Federal Uniform Guidance or the 2 CFR 200 requirements shall be followed, no award shall be permitted to any vendor for any contract or sub-contract at any tier level for a vendor which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension" or debarred by the California Division of Labor Standards Enforcement.

8. Award details shall be made available following approval of the award; either on the Agency's website, the e-sourcing website, or delivered upon specific request.
9. The formal competitive solicitation process may be waived at the discretion of the GM or a designated representative, when there is a compelling reason (e.g., public safety, prevent loss of life, imminent danger, emergency procurement or other valid reason). The GM shall document the reason and inform the Board at the next regularly scheduled meeting.

B. Informal Competitive Solicitations:

1. For procurements estimated to be greater than \$10,000 and less than or equal to \$50,000, solicitations shall be posted on the electronic solicitation system or sent and documented via email to prospective vendors at least two competitive written or electronic responses are required, in cooperation with CAP, where possible and practical. Solicitations shall be posted to Small Business Administration whenever grant or Federal or State funding sources are being utilized. Refer to Section E. Pre-qualification process.
2. Procurements less than \$10,000, shall be subject to one quote.
3. For procurements associated with federal grant dollars, the Code of Federal Regulations (CFR 200.67) shall be followed.
4. For procurement of on-site services regardless of procurement value, solicitations shall be conducted in cooperation with CAP to address relevant terms and conditions related to applicable Federal and State compliance requirements, prevailing wage, risk mitigation, insurance and bonding requirements, unless designated as an emergency.

C. Requests for Information:

In order to facilitate the budgetary and planning processes, Agency staff other than CAP may request informal pricing and related information for the express purpose of obtaining estimates for services, materials, equipment and supplies, identify availability of materials and supplies and identify lead-times, as provided for by policy. The requestor shall declare that the request is for "budgetary and informational purposes only" and is not to be construed as an offer or commitment to procure any product or service. Requests for Information shall not be used in lieu of the informal and formal solicitation processes provided for herein. Exceptions shall be at the sole discretion of the Manager of CAP, AGM, DGM or GM.

D. Reverse Auctions:

1. Reverse auctions may be utilized for the acquisition of equipment, materials, supplies, and services when it is advantageous to do so (i.e., by materially-reducing the cost of goods, while increasing the efficiency of the acquisition function through effective use of technology).
2. Reverse auctions may be hosted by a third-party vendor under contract with the Agency.
3. Bidders shall be required to register and pre-qualify prior to the reverse auction date and time and agree to any terms and conditions specified.
4. Reverse auctions shall not be used for public works projects.
5. At the discretion of the Manager of CAP, reverse auctions may be conducted in lieu of the formal or informal competitive solicitation processes.

E. Pre-qualification Process:

1. A pre-qualification process to identify qualified construction contractors and vendors/consultants/contractors may be used for public works projects or other Agency projects. For procurements funded by a Federal or State loan or grant, in addition to the grant award's specific terms and conditions, the relevant Federal Uniform Guidance or the 2 CFR 200 requirements shall be followed.
2. The pre-qualification process will include a Request for Qualification to establish a list of contractors that may be used for projects valued less than \$2,000,000 and an additional list of for projects estimated to be valued at or greater than \$2,000,000, up to \$10,000,000.
3. The pre-qualification process will include outreach to the Disadvantaged and Small Business community.
4. The list of supplier/consultants/contractors may be valid for a period of up to five years, or as defined during the pre-qualification process.
5. For public works projects estimated to be valued at or greater than \$10,000,000, a Request for Qualification process will be announced for each individual project, prior to the release of the solicitation.
6. Should the project be funded by a State or Federal loan or grant, the grant or loan requirement language shall be included in the Request for Qualification or in the Request for Proposal documents. No potential bidder

shall be restricted from the qualification process during the solicitation period.

7. The award of a public works contract using the pre-qualification process shall be made to the lowest-priced, pre-qualified bidder.
 8. If a public works contracts uses a pre-qualification process and the project is Design/Build, the award shall be made to the most qualified bidder.
 9. The award of a contract for professional services using the pre-qualification process shall be made to the most qualified bidder.
 10. Use of Pre-qualified and Master Contractor lists may be utilized. The lists shall be current, as defined by the contract and/or Pre-qualification Program, include enough qualified sources to ensure competition and must not preclude potential bidders from qualifying during the pre-qualification solicitation period. Grant funded project requirements shall be reviewed by the GM's designee prior to the pre-qualification process to ensure solicitation requirements are being followed. No potential bidders shall be restricted from the qualification process during the solicitation period.
 11. Pre-qualification and Master Contract List Update and Continuity
 - a. Pre-qualification and Master Contract Updates

The pre-qualification process may be updated to allow new participants to be added to the pre-qualified and master contract list during the applicable term, utilizing the same evaluation process as the original criteria set forth in the pre-qualification requirements.
 - b. Continuation of Pre-qualified and Master Contract Participants

Participants that have already been pre-qualified under the existing process shall retain their pre-qualified status for the duration of the original pre-qualification period, provided they continue to meet all requirements and comply with the terms and conditions of the pre-qualification and master agreements.
2. Multi-year procurement terms and extension limits are as follows:
 - A. The term for procurements may not exceed seven years, inclusive of option years.
 - B. Exceptions to the term limits, as determined by the GM, shall be compelling, in the best interest of the Agency, and documented by memo or email.
 3. Negotiated procurement parameters and term limits (subject to other provisions of this Ordinance) are as follows:

- A. Negotiated procurements shall be authorized in writing by the respective Director or Unit Manager and approved by the Manager of CAP for documented circumstances where there exists a single or sole source supplier, or unusual time or other constraint (e.g., power and energy, emergency communications, insurance carrier, specialized materials, services or equipment, information technology equipment, limited-time discount opportunities, best- value, etc.).
 - B. Negotiated procurements shall not require any formal or informal solicitation. However, for single or sole source negotiated procurements exceeding \$150,000, Board approval is required.
 - C. The aggregate term of all extensions for negotiated procurements may not exceed a maximum allowable term of seven years.
 - D. Exceptions to the term limits shall be compelling, in the best interest of the Agency, and documented accordingly in the GM Report to the Board.
4. Cooperative and “piggyback” procurement parameters and limits (subject to other provisions of this Ordinance) are as follows:
- A. Cooperative and “piggyback” procurements shall not require formal solicitations. However, procurements exceeding \$150,000 that result from single or sole source cooperative or “piggyback” contracts require Board approval. Procurements exceeding \$150,000 that result from competitively-let cooperative and “piggyback” contracts also require Board approval.
 - B. The aggregate term, including all extensions, of any cooperative or piggyback procurement, may not exceed seven years and/or the terms of the cooperative or piggyback contract or subsequent extensions.
 - C. Exceptions to the term limits, as determined by the Manager of CAP, shall be compelling, in the best interest of the Agency, and documented accordingly.
5. Government procurement parameters and limits (subject to other provisions of this section) are as follows:
- A. Materials, supplies, services, leases, and equipment may be procured from other government agencies when doing so would be in the best interest of the Agency, as determined by the GM.
 - B. When government agency procurement is greater than \$150,000, formal and competitive bids, proposals, or quotations may be solicited from open market sources, as determined by the GM.
 - C. Professional services may be procured from other government agencies when doing so would be in the best interest of the Agency, as determined by the GM.

6. Petty cash procurement parameters and limits are as follows:
 - A. A fund of sufficient amount shall be established by Resolution of the Board, to support petty cash disbursements for authorized advances and reimbursements.
7. Procurement Card requirements and limits are as follows:
 - A. Procurement Cards may be used for transactions to acquire materials, supplies, equipment and services less than or equal to the amount authorized for transactions of a single quote as identified in Section 4.1.B.2 unless otherwise authorized by the GM, DGM, AGM or Manager of CAP.
8. The Board delegates the authority to the GM or designee for the rejection of all offers, bids, proposals, or quotes.
 - A. The GM is authorized to delegate authority to reject any and all bids, proposals, and quotes.
9. Emergency procurements of materials, supplies, services, rentals, leases, equipment, and public works services may be affected, notwithstanding respective provisions of this Ordinance.
 - A. The GM is authorized to approve and execute emergency procurements, for any amount.
 - B. The GM is authorized to delegate authority to approve and execute emergency procurements up to any amount.
 - C. The GM or designee shall report emergency procurements, including details of the circumstances, respective dollar amounts expended, and cause of the emergency at the next regularly scheduled Board meeting.

SECTION 5: TRADES AND EXCHANGES

1. Acquisition of materials, supplies, services, leases, and equipment may be made by trade or exchange.
2. Only authorized surplus items may be used for trade and exchange acquisitions.
3. Acquisition items must be of same or similar-type to respective surplus items.
4. Board approval is required for trade and exchange acquisitions with a current market value greater than \$100,000.

5. The GM is authorized to approve trade and exchange acquisitions with a current market value less than or equal to \$100,000.
6. The GM is authorized to delegate authority to approve trade and exchange acquisitions less than or equal to the limit established for the GM.

SECTION 6: REAL PROPERTY ACQUISITION

1. Board approval and authority to execute contractual documents is required for the sale, procurement, trade, exchange, surplus or otherwise acquisition of any and all real property with a value greater than \$100,000. The Board may delegate this authority when it is in the best interest of the Agency.
2. The GM is authorized to execute contractual documents, including sale, purchase agreements and escrow instruments, for the authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property with a value less than or equal to \$100,000.
3. The GM is authorized to delegate authority to execute contractual documents, including purchase agreements and escrow instruments, for authorized sale, procurement, trade, exchange, or otherwise acquisition, of real property less than or equal to the limit established for the GM.

SECTION 7: DISPOSAL OF SURPLUS PROPERTY/EQUIPMENT

1. Board approval is required for the disposal of single-item surplus personal property or equipment with a current market value greater than \$100,000.
2. Board approval is required for the disposal of any multiple-items (lot) of surplus personal property or equipment with a current market value greater than \$200,000.
3. Professional or contract services may be used for the disposal of surplus items, and a formal solicitation shall not be required for said services. Fees for said services shall be paid from respective surplus disposal proceeds.
4. Any surplus item(s) may be:
 - A. Sold for cash.
 - B. Used for trade or exchange.
 - C. Sold for a nominal sum to a non-profit charitable organization, school, or other government agency.
5. Prior to the disposal of any State or Federal loan or grant funded item, approval must be received from the funding agency.

6. Board approval is required to declare any and all real property as surplus and/or to sell any and all surplus real property, as provided for under California law.
7. Board approval is required to authorize the GM to negotiate any and all sale prices and terms for the sale of surplus real property.
8. All net proceeds received from surplus activities shall be deposited in the appropriate Agency fund reserves.

SECTION 8: POLICIES AND PROCEDURES

The Board or their designee is authorized to establish, develop, and/or revise any and all Agency policies and procedures necessary to implement and administer the provisions of this Ordinance.

SECTION 9: PROHIBITION OF UNAUTHORIZED PROCUREMENT COMMITMENTS AND REQUIREMENTS FOR PROCUREMENT FUNDING

1. No work or services, except in emergency situations, shall be authorized or accepted until an appropriate and approved procurement instrument has been fully secured or executed, as required pursuant to this Ordinance. If work or services are procured in violation of this provision, and the value of the procurement is \$10,000 or less, then the employee securing the unauthorized procurement shall obtain the written approval of the GM, DGM, AGM and/or the Manager of CAP to secure the purchase requisition documents necessary to generate the appropriate purchase order or contract for payment.
2. Unauthorized procurements with a value in excess of \$10,000 shall require approval from the Board. Public works field change orders do not fall under the provision of this section. A violation of this provision shall be cause for disciplinary action up to and including termination of the violator. The Manager of CAP shall retain the discretion to refer any violation of this section to the Internal Audit Department for investigation.
3. No procurement instrument, except in emergency situations, shall be used which commits Agency funds or other financial obligations thereof, unless and until such unencumbered funding has been identified, authorized, and appropriated for said procurement.

SECTION 10: DEPARTMENT COOPERATION

All Agency employees, agents, volunteers, contractors, sub-contractors, consultants, etc. shall comply with the provisions of this Ordinance to ensure the responsible and prudent expenditure of public funds, and to maintain the preservation of the public trust.

Employees are encouraged to collaborate and reach out to the Contract Administration and Procurement (CAP) unit whenever guidance is needed or if any questions arise during the

procurement process. Engaging with the CAP unit ensures that all activities align with Agency standards and legal frameworks, fostering efficiency and adherence to policy. Proactive communication is key to maintaining a smooth procurement process and mitigating risks of errors or misinterpretation of the Ordinance.

Employees involved in procurement activities must adhere to the highest ethical standards. All participants are expected to act with integrity, ensuring that decisions are made without bias, favoritism, or conflicts of interest. Employees must avoid any action that could compromise the fairness or transparency of the procurement process. Failure to follow the intent of the Ordinance may carry serious consequences for both the Agency and the employees involved. Violations of ethical conduct may result in disciplinary actions, up to and including termination of employment, depending on the severity of the breach.

Transparency and accountability are fundamental principles in all procurement activities. Employees must ensure that all processes are clear, traceable, and open to audit. Incorporating these values into daily operations ensures that procurement practices remain fair, efficient, and in compliance with the Ordinance.

SECTION 11: CONFLICT OF INTEREST

All agency employees, officers, and contractors must avoid any activity, relationship, or financial interest that conflicts with their duty to act in the best interests of the Agency. A conflict of interest arises when personal, financial, or professional interests interfere with official responsibilities. Individuals must disclose any actual or potential conflicts in writing to the Agency's ethics officer and recuse themselves from decisions or actions related to the conflict. Accepting gifts, favors, or benefits from parties doing business with the Agency is prohibited, except for nominal items. Failure to comply may result in disciplinary action, including termination or legal consequences.

SECTION 12: EXCEPTION TO THIS ORDINANCE

The Board may authorize the GM to effect procurements or other respective activities free of this Ordinance when the Board has determined that such would be in the best interest of the Agency, and when such is not in conflict with applicable State or Federal law(s).

SECTION 13: VOIDABLE

The Board may void any and all transactions not consistent with the provisions of this Ordinance. To ensure compliance with the Ordinance and to protect the interests of the Agency, the Board has the authority to direct staff to take appropriate remedial actions. These may include negotiating with the vendor to amend the terms, ensuring greater transparency, or adjusting the contract to better align with the Agency's objectives. In cases where the contract does not appear to be in the Agency's best interest, the Board may explore alternative resolutions to mitigate any negative impact on the Agency.

SECTION 14: SEVERABILITY

If any section, subsection, sentence, clause, or phrase of this ordinance shall, for any reason, be declared unconstitutional or otherwise invalid, such adjudication shall in no manner affect any other section, subsection, sentence, clause, or phrase of this Ordinance, or portions thereof. The Board hereby declares that they would have approved this Ordinance, and each section, subsection, sentence, clause, and phrase hereof, irrespective of any portion thereof which may be declared invalid or unconstitutional.

SECTION 15: REPEAL AND REPLACE ORDINANCE 110

Ordinance No. 110 is hereby repealed in its entirety. All portions of other respective Ordinances, Resolutions, and/or motions related thereto and in conflict with the provisions of this Ordinance, are hereby rescinded and made of no further effect.

SECTION 16: EFFECTIVE DATE AND EXECUTION

This Ordinance shall take effect immediately upon adoption by the Board, and execution of said Ordinance by the President and Secretary/Treasurer thereof.

ADOPTED this 16th day of April, 2025.



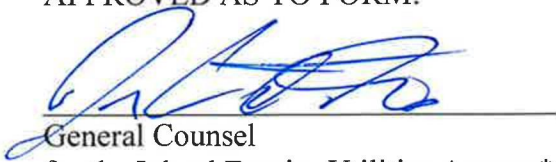
Marco Tule
President of Inland Empire Utilities
Agency*, and of the Board of Directors
thereof

ATTEST:



Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency*, and of the Board of
Directors thereof

APPROVED AS TO FORM:



General Counsel
for the Inland Empire Utilities Agency*

**A Municipal Water District*

STATE OF CALIFORNIA)
)SS
COUNTY OF SAN BERNARDINO)

I, Steven J. Elie, Secretary/Treasurer of the Inland Empire Utilities Agency*, DO HEREBY CERTIFY that the foregoing revised Ordinance being No. 116, was adopted at a regular meeting on April 16, 2025, of said Agency by the following vote:

AYES: Camacho, Elie, Hall, Hofer, Tule

NOES: None

ABSTAIN: None

ABSENT: None

Steven J. Elie
Secretary/Treasurer of the Inland Empire
Utilities Agency*, and of the Board of
Directors thereof

(SEAL)

* *A Municipal Water District*