



## Executive Officer's Report

**To:** Imperial LAFCD Commissioners

**From:** Tyler Salcido, Executive Officer

TRS

**Item #:** 8d

**Subject:** Purchasing and Contracting Policy

TRS

**Date:** May 22, 2025

**Time:** 8:30 a.m.

**Location:** El Centro City Council Chambers  
1275 W. Main Street, El Centro, CA 92243

### Report

#### BACKGROUND

Historically, LAFCD's purchasing and contracting processes have been guided by general practice. As part of a broader effort to enhance administrative policies and formalize internal controls, this policy was developed to align with public agency best practices. It provides clear expectations for staff while protecting the Commission's fiscal oversight role.

This proposed policy establishes formal procedures for the procurement of goods and services, the execution and amendment of contracts, and related documentation and reporting responsibilities. The intent is to ensure ethical and efficient use of public resources while safeguarding LAFCD through consistent internal controls and transparency.

#### KEY ELEMENTS OF THE POLICY

- **Authorization Thresholds**

The policy establishes clear purchasing and contracting thresholds based on total dollar amount. For both goods and services:

- Purchases up to \$1,000 require no formal quotes and may be approved by the Executive Officer with verbal confirmation and documentation.
- Purchases between \$1,001 and \$10,000 require a minimum of two written quotes and Executive Officer's approval.
- Purchases over \$10,000 require at least three written quotes and formal approval by the Commission.

Additionally, any contract amendment that would cause the cumulative total for a vendor to exceed \$10,000 in a fiscal year must be presented to the Commission for review and approval.

- **Competitive Solicitation Process**

Contracts over \$10,000 must undergo a competitive solicitation process, unless exempt under specified conditions. Solicitations are to be developed by the Executive Officer in consultation with LAFCo legal counsel. Prior Commission authorization to issue the solicitation is not required; however, final contract execution must be approved by the Commission.

- **Special Conditions & Exceptions**

The policy allows for exceptions in specific scenarios, including:

- **Emergency Purchases** – In cases where immediate action is required to protect health, safety, or property, the Executive Officer is authorized to proceed without formal quotes. Such purchases must be reported to the Commission at the next regular meeting or within 90 days, whichever comes first.
- **Sole Source or Single Distributor** – Where only one vendor can provide the required goods or services, staff may proceed without multiple quotes, provided a brief written justification is documented and retained.
- **Professional Services with Established Relationships** – Contracts with professionals who possess unique expertise and prior experience with LAFCo may be extended or renewed without re-solicitation, subject to Commission approval.
- **Discount Warehouse Purchases** – Common supply or furniture purchases from established discount outlets do not require multiple quotes, but must follow standard authorization limits

- **Delegated Authority**

The Commission may delegate contract execution authority to the Executive Officer on a case-by-case basis, particularly for time-sensitive or administrative procurements within policy limits.

- **Vendor File Maintenance and Documentation**

A vendor file will be established for each supplier or contractor, containing contracts, purchase orders, invoices, and correspondence. All records will be maintained in accordance with LAFCo's Records Retention and Destruction Policy to ensure audit compliance and administrative transparency.

## Options

**Option #1:** Approve and adopt the Purchasing and Contracting Policy as presented.

**Option #2:** The Commission may direct staff to make modifications and return with a revised policy at a subsequent meeting.

**Option #3:** The Commission may decline to adopt the policy.

## Recommendation by the Executive Officer

The Executive Officer recommends that LAFCo consider all information presented in both written and oral form. The Executive Officer then recommends, assuming no significant public input warrants to the contrary, that LAFCo take the following action:

**Option #1:** Approve and adopt the Purchasing and Contracting Policy as presented.

**EXHIBIT A:** Purchasing and Contracting Policy

**EXHIBIT B:** Draft LAFCo Resolution #2025-XX

# EXHIBIT A

Purchasing and Contracting Policy



## PURCHASING AND CONTRACTING POLICY

### I. OVERVIEW

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This policy governs all purchases, agreements, and contracts made by the Imperial County Local Agency Formation Commission (LAFCO). It is LAFCO's policy to adhere to ethical, responsible, and reasonable procurement procedures to ensure cost-effective use of public resources.

This document outlines the principles and procedures staff must follow when purchasing goods, products, vendor services, and entering into contracts on behalf of LAFCO.

### II. AUTHORIZATION AND PURCHASING LIMITS

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1. All purchases should adhere to the following guidelines:

Dollar Amount	Minimum # of Quotes	Form of Quote	Approval Authority
<b>Goods</b>			
Up to \$1,000	0	Verbal	Executive Officer
\$1,001 - \$10,000	2	Written	Executive Officer
Over \$10,000	3	Written	Commission
<b>Services</b>			
Under \$1,000	0	Verbal	Executive Officer
\$1,001 - \$10,000	2	Written	Executive Officer
Over \$10,000	3	Written	Commission

2. Any contract or agreement exceeding \$10,000 in a fiscal year requires Commission approval.
3. Any contract or agreement exceeding available budget appropriations requires Commission approval and a corresponding budget amendment.
4. Amendments that increase a contract's or agreement's cumulative total above \$10,000 in a fiscal year require Commission approval.
5. Open-ended and limited-term contracts, agreements, and amendments must be reviewed annually by the Commission.

### III. CONFLICT AVOIDANCE

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Goods or services shall not be purchased from Commissioners, LAFCO employees, or entities with which they have a financial interest or personal relationship.

#### IV. QUOTATION REQUIREMENTS

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1. Verbal quote (up to \$1,000):
  - a. Documented via invoice or receipt showing item description and quantities.
  - b. Must be retained per LAFCo's Records Retention and Destruction Policy.
2. Written quote (above \$1,000):
  - a. Two or more written quotes are required unless exempted.
  - b. Quotes must be retained as part of the purchasing record.
  - c. Approval must be documented by a contract, signed authorization, or email from the Executive Officer.

#### V. SPECIAL PURCHASING CONDITIONS

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1. Emergency Purchases:
  - a. Allowed without quotes to protect health, safety, or prevent property loss.
  - b. Must be reported to the Commission at the next scheduled meeting or within 90 days, whichever comes first.
2. Discount Warehouse Purchases:
  - a. Do not require multiple quotes.
3. Single Distributor/Source:
  - a. Permitted where no comparable alternative exists.
  - b. A brief written justification must be documented and retained.
4. Professional Services with Prior Relationships:
  - a. Commission may waive additional quote requirements for professionals with unique skills and prior LAFCo experience.
5. Extensions of Existing Agreements:
  - a. Do not require new quotes unless the cumulative cost exceeds \$10,000 in a fiscal year.
6. Delegated Authority:
  - a. The Commission may delegate purchasing or contract authority to the Executive Officer on a case-by-case basis.

#### VI. VENDOR FILES AND RECORDS

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The Accountant/Analyst shall:

1. Create a vendor file for each vendor.
2. Retain purchase orders, contracts, and invoices in the vendor file.
3. Purge vendor files in compliance with the Records Retention and Destruction Policy if not reused.

## **VII. REPORTING REQUIREMENTS**

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A “Procurement and Reporting Policy Annual Report” shall be prepared by staff and presented to the Commission in Quarter 1 of each calendar year. The report shall:

1. List all outside service providers.
2. Include provider name, service/product description, contract status, and term.
3. Be posted to the LAFCo website and maintained for five (5) years in the “Financials” section.

**End Of Policy**

# EXHIBIT B

Draft LAFCo Resolution #2025-XX





## IMPERIAL LOCAL AGENCY FORMATION COMMISSION

May 22, 2025

### RESOLUTION #2025-XX OF THE LOCAL AGENCY FORMATION COMMISSION OF THE COUNTY OF IMPERIAL APPROVING AND ADOPTING A PURCHASING AND CONTRACTING POLICY

**RESOLVED**, by the Local Agency Formation Commission of the County of Imperial, State of California, that:

**WHEREAS**, Imperial Local Agency Formation Commission ("the Commission") is responsible for efficiently and transparently administering local agency formation and boundary-related matters within its jurisdiction; and

**WHEREAS**, the Commission periodically requires the procurement of goods and services, as well as the execution and amendment of contracts; and

**WHEREAS**, it is in the best interest of the Commission to have a clear and concise Purchasing and Contracting Policy to ensure accountability, transparency, alignment with public agency best practices, and prudent stewardship of public funds; and

**WHEREAS**, the Commission has reviewed and found it necessary to formally adopt such a policy; and

**WHEREAS**, on May 22, 2025, the Commission met, discussed, reviewed the proposed policy, and voted to approve and adopt it.

**NOW, THEREFORE, BE IT DETERMINED, ORDERED AND RESOLVED** as follows:

1. **Adoption of Policy:** The Commission hereby adopts the Purchasing and Contracting Policy (attached hereto as Exhibit A) as the official policy governing the purchasing and contracting processes.
2. **Implementation:** The Executive Officer, or designee, is authorized and directed to take all necessary actions to implement the policy, including establishing procedures and controls consistent with the policy.
3. **Periodic Review:** The Executive Officer and designated finance staff shall periodically review the policy no less than annually and propose updates as necessary to reflect changes in public agency best practices or Commission needs.
4. **Superseding Other Policies:** Any prior resolutions, policies, or directives of the Commission that are inconsistent with this resolution are hereby repealed or superseded to the extent of such conflict.

5. **Effective Date:** This resolution and the associated Purchasing and Contracting Policy shall become effective immediately upon its adoption.

**PASSED, ADOPTED, AND APPROVED** this **22<sup>nd</sup>** day of **May 2025**, by the following roll call votes:

**AYES:**

**NAYES:**

**ABSTAINED:**

**ABSENT:**

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Jesus Escobar, Chair