

**SILICON VALLEY**  
**ANIMAL CONTROL AUTHORITY**

**AGENDA ITEM**

## **Disposal of Rescue Vehicle**

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### **RECOMMENDED MOTION**

That the Board of Directors approved the disposal of a rescue vehicle by public auction as described in the purchasing policy.

### **DISCUSSION**

Staff recently purchased a new rescue vehicle and is now ready to dispose of the 2002 vehicle. The purchasing policy requires the Board of Directors to determine the appropriate method of disposition for any items originally acquired for greater than \$25,000.

Allowable methods are: transfer or sale to another public agency, trade-in as part of a new procurement, sale by auction held by the Authority or other public entity or at any other public auction, sale by negotiation, or sale by public advertisement for sealed bids with an award of contract to the highest responsive bidder.

Staff is recommending that the vehicle be sold at public auction. If approved, staff will hire a vendor to provide the service. The vehicle is estimated to be worth approximately \$4,000. It is unknown as to what the high bid will be and the cost to SVACA is estimated to be 6% of the auction price. Lastly, staff recommends the amount earned from the sale be added to the vehicle replacement fund as has been done in the past.

### **DOCUMENTS ATTACHED**

SVACA Purchasing Policy

# SILICON VALLEY ANIMAL CONTROL AUTHORITY PURCHASING POLICY

## PURPOSE

To provide guidelines for the consistent utilization of purchasing mechanisms.

## POLICY/PROCEDURES

The following payment methods will be utilized as appropriate in the purchase of goods or services for the Silicon Valley Animal Control Authority.

### I. BUDGET APPROPRIATIONS

- A. Non-Budgeted Items.** Authority from the Board of Directors shall be obtained by the Executive Director prior to the expenditure of more than \$2,500.00 for a non-budgeted service or item, except in an emergency, as defined in this Policy. Any such non-budgeted emergency expenditures shall be reported at the next meeting of the Board of Directors.
- B. Budget Items in the Capital Expenditure Budget.** The "capital expenditure budget" identifies expenditures for certain specified projects and items. Unless otherwise instructed by the Board of Directors, the Executive Director has the authority to expend funds for items specifically designated on the capital expenditure budget at any time during the fiscal year up to the amounts specified and subject to the procedures set forth below.
- C. Budget Items in the Operation Budget.** The "operation budget" contains a schedule of anticipated revenues and expenses that are needed for daily operations of the Authority and identified only by account. Unless otherwise instructed by the Board of Directors, the Executive Director has the authority to expend funds necessary for the ordinary, daily operation of the Authority up to the amounts specified in the operation budget and subject to the procedures set forth below.

### II. REQUISITONS

All purchases must be requested by submission of a Requisition prior to purchase.

#### A. FILLING OUT A PURCHASE REQUISITION

The SVACA's computerized requisition form must contain the following information to be accepted:

- 1. Requisition Number** - This number is not used when a requisition becomes a purchase order.
- 2. Date Requested/Required** - Date Requested is the requisition date, and Date Required is the target/need date for the commodities or services.

3. **Vendor Information** - The requisitioner will enter the vendor's information to be used for the purchase.
4. **Date Approved/ Date Rejected** - This is the date the requisition was approved or rejected.
5. **Buyer** - This field is used to identify the employee requesting the commodity or service and the employee entering the requisition.
6. **Comments** - This field is used to identify information associated with the purchase- example: informal or formal bid information, sole source information, that signed contracts are on file, that purchase orders not be mailed etc. This is reference information only and does not appear on the purchase order.
7. **Approval** - Once the Requisition has been approved by the Executive Director and forwarded to the Executive Assistant and all applicable purchasing procedures have been followed, the requisition will, be converted into a Purchase Order.

### III. PURCHASE ORDERS

Upon approval of the purchase order, department and Executive Assistant copies will be distributed and the vendor copy mailed. Upon receipt of the merchandise or completion of services, the receiving copy of the purchase order will be properly endorsed by the department and forwarded to the Executive Assistant for payment along with the invoice. Partial payments against a purchase order require approval on the invoice with account numbers, purchase order number and authorized signature included.

### IV. COMPETITIVE BIDS

Silicon Valley Animal Control Authority staff will secure competitive informal and formal bids as required for each purchase being made per the requirements listed below:

#### A. SUPPLIES/SERVICES/EQUIPMENT

##### 1) Authority to Award.

a) **\$30,000 or less.** When the estimated cost of supplies, services, or equipment is equal to or less than Thirty Thousand Dollars (\$30,000.00), the Executive Director is authorized to award the contract in accordance with the Bidding Procedures set forth in this Policy, but shall report on the award of any such contract at the next meeting of the Board of Directors.

b) **Exceeding \$30,000.** Contracts for supplies, services, or equipment, covering an estimated cost in excess of Thirty Thousand Dollars (\$30,000.00) must be submitted to and approved by the Board of Directors prior to award.

## 2) Bidding Procedures.

- a) **Less than \$5,000.** The purchase of supplies, services, or equipment that cost less than Five Thousand Dollars (\$5,000.00) may be made without price quotations, if such purchase is determined by the Executive Director to be in the best interests of the Authority.
- b) **\$5,001 - \$10,000.** To the extent possible, the Executive Director shall obtain at least two informal quotations before entering a contract when the cost of the supplies, services or equipment is anticipated to exceed \$5,000.00.
- c) **\$10,001 - \$30,000.** When the estimated cost of supplies, services or equipment is greater than Ten Thousand Dollars (\$10,000.00) but equal to or less than Thirty Thousand Dollars (\$30,000.00), the award of contract may be based on informal bids obtained by the Executive Director. The Executive Director shall not be required to advertise formally for the solicitation of bids for such contracts. To the extent possible, the Executive Director shall obtain at least three informal, written bids before entering a contract.
- d) **Exceeding \$30,000.** When the estimated cost of supplies, services or equipment is greater than Thirty Thousand Dollars (\$30,000.00), the award of contract shall be based on a competitive bid process in which sealed bids are solicited through an advertisement in a newspaper of general circulation in Santa Clara County and are publicly opened at the specified time. The award of contract shall be made on the basis of the most advantageous proposal to the Authority. In determining the most advantageous proposal, the following factors shall be considered: (1) Cost to the Authority; (2) Quality of the proposal; (3) Capabilities and expertise of the contractor or service provider; and (4) Adherence to applicable Authority policies and directives. The Executive Director shall bring forward his or her recommendation to the Board of Directors based on the aforementioned factors, and the Board may award the contract or may reject any or all bids.

**3) Emergency.** In the case of emergency purchases, the Executive Director is authorized to purchase supplies, services or equipment without formal bidding or prior Board approval, but shall report on the award of any such contract for emergency equipment, materials or supplies at the next meeting of the Board of Directors. If possible, the Executive Director shall attempt to seek the concurrence of the Board Chairperson prior to awarding any contract for an emergency purchase. For purposes of this paragraph, "emergency purchases" are those procurements required to prevent the immediate interruption or cessation of necessary Authority services or to safeguard life, property or the public health and welfare.

4) This Section IV A. of the Policy does not apply to "Public Projects."

## **B. PUBLIC PROJECTS**

- 1) **Public Projects: Uniform Public Construction Cost Accounting Act.** The Board of Directors adopted Resolution No. 2018-4, and has elected to become subject to the Uniform Public Construction Cost Account Act (Public Contract Code section 22000 et seq), as may be amended from time to time, and accordingly, the Authority shall utilize the procedures set forth in the Act for all applicable Public Projects. "Public Project," for purposes of this Section, shall be defined as set forth in California Public Contract Code 22002, as may be amended from time to time.
- 2) **Over \$175,000.** Public Projects that do not fall within the Uniform Public Construction Cost Accounting Act are subject to formal bidding procedures as set forth in California Public Contract Code sections 20160 – 20175, inclusive, as may be amended from time to time. Additionally, if a Public Project is funded in part or entirely by federal funds, formal bidding is required if over \$10,000. "Public Project," for purposes of this Section, shall be defined as set forth in California Public Contract Code 20161, as may be amended from time to time.

## **C. PROFESSIONAL SERVICES CONTRACTS**

- 1) **General Procedures.** Advertisement and formal competitive bidding is not required for professional services contracts. However, whenever possible, the Executive Director shall obtain at least two informal quotations before entering into such a contract. For contracts exceeding \$25,000, the Executive Director shall issue Requests for Proposals or Requests for Qualifications in the case of architectural and engineering service contracts to solicit information on which to base contract award decisions.
- 2) The Executive Director is authorized to retain professional consultants. A written professional services contract shall be executed by the parties.

## **V. CHECK REQUESTS**

Check requests are to be utilized when a payment is required and there is no invoice, or under other limited circumstances where use of a Purchase Order is not feasible. Check requests are appropriately used for payment of the following items:

- a) Refunds of deposits
- b) Subscription renewals
- c) Personal property damage payments
- d) Expense advances (which are subject to full accounting on expense sheet upon return)
- e) Membership dues
- f) Special service remittances (e.g. subgrants, CDBG, info and referral etc.)

## **VI. EMERGENCY PURCHASES**

As emergency (confirming) purchases are contrary to the best interests of economy and service, they should be made only in the event of an emergency. When an emergency purchase is made, a requisition should be prepared as soon as possible. The transaction must be substantiated by a vendor's receipt, and subsequently processed in the same manner as any routine purchase.

## **VII. SVACA CREDIT CARDS**

SVACA credit cards may be used to pay for emergency or non-recurring expenses when there are not other readily available means to pay for goods or services (e.g. conference or seminar reservations, travel, costs, and hotel or rental car expenses).

## **VIII. ENVIRONMENTALLY PREFERABLE PROCUREMENT**

The Silicon Valley Animal Control Authority supports conservation of resources and protection of the environment through vendors and service providers that participate in programs to reduce, reuse, recycle, and dispose of discarded material. By incorporating environmental considerations in public purchasing, SVACA helps improve the environmental quality of the region and protects public health.

To this end, and as part of this Purchasing and Payment Methods Administrative Policy, SVACA purchases should consider minimizing negative environmental impacts by ensuring the procurement of services and products that reduce toxicity; conserve natural resources, materials and energy; and maximize recyclability and recycled content.

Examples of environmental factors to consider in making buying decisions include:

- Replacing disposables with reusables or recyclables
- Supporting eco-labeling practices by buying products bearing such labels in preference to others, where available, and provide value for money
- Taking into account life cycle costs and benefits
- Evaluating, where appropriate, the environmental performance of vendors in providing products and services.

Notice in this section shall be construed as requiring a SVACA department or contractor to procure products that do not perform adequately for their intended use or are not available at a reasonable price in a reasonable period of time.

## **IX. STANDARDS OF CONDUCT IN PROCUREMENTS**

**A. Gratuities.** Authority officials and employees shall not solicit or accept or agree to accept any gratuity or gift or any other thing of more than a nominal value in connection with actual or potential procurement and contracting activities. The term "nominal monetary value" is defined as a value of Fifty Dollars (\$50.00) or less. Failure to follow this standard is cause for disciplinary action.

**B. Conflicts of Interests.** Authority staff shall not be involved in any purchasing procedures or decisions (including participation in initiation, award or administration of a contract) in which they have a real or apparent conflict of interests. Such a conflict of interests arises when a staff member is financially interested in a person or firm that participates in the Authority's procurement process or is awarded a contract. The standards for governing the determination as to whether such a financial interest exists are set forth in California Government Code Sections 1090 et seq. and Sections 87100 et seq. (the Political Reform Act). If there is a conflict of interest, the staff member shall disclose such interest in writing to the Executive Director as soon as possible so that the appropriate precautions may be taken.

**X. LEASES, LICENSES; CONCESSIONS**

Other than equipment operating leases that are included in the operation budget, the Executive Director shall not enter into any lease, license, concession contract, lease-purchase contract or installment contract without prior authorization from the Board of Directors.

**XI. DISPOSAL OF SURPLUS EQUIPMENT AND SCRAP ITEMS**

**Methods of Disposition.** The method of disposing of any surplus or scrap items shall depend on the nature of the item and the possibility of the most favorable return to the Authority. Allowable methods are:

1. Transfer or sale to another public agency,
2. Trade-in as part of a new procurement,
3. Sale by auction held by the Authority or other public entity or at any other public auction,
4. Sale by negotiation, or
5. Sale by public advertisement for sealed bids with an award of contract to the highest responsive bidder.

For an item with an original acquisition cost of \$25,000 or less, the Executive Director shall determine the appropriate method of disposition and shall report the matter to the Board of Directors. For an item with an original acquisition cost exceeding \$25,000, the Board of Directors shall determine the appropriate method of disposition considering any staff recommendation.