



Santa Clara Valley Water District

File No.: 19-1141

Agenda Date: 12/10/2019

Item No.: 3.2.

BOARD AGENDA MEMORANDUM

SUBJECT:

Adopt Revisions to the Board Governance Policy Executive Limitation 5 required by Assembly Bill (AB) 707 (Kalra) Valley Water Contracting.

RECOMMENDATION:

Review and adopt proposed revisions to the Board Governance Policy Executive Limitation (EL) 5 in accordance with AB 707 (Kalra) effective January 1, 2020.

SUMMARY:

This item allows the Board to discuss and act on the following:

1. Revision to Board Governance Policy EL- 5.1.1
2. Revisions to Board Governance Policy EL- 5.3.1

Board Governance Policy EL-5.1.1 outlines the current Public Contract Code (PCC) that defines Valley Water's informal bid threshold.

On September 6, 2019, AB 707 (Kalra) was approved by Governor Newsom, taking effect on January 1, 2020, and increasing Valley Water's informal bid threshold through amendments to Public Contract Code (PCC) Section 21161, and the addition of PCC Section 21160.5. To ensure Board Governance Policies reflect these statutory changes, staff recommends revisions to Board Policy EL-5.1 for Board adoption (proposed new text in **red font** and deleted text has a ~~strikethrough~~).

While not required by the statutory amendment, staff also recommends that the \$25,000 limit set forth in EL 5.3.1 (Financial commitments less than or equal to \$25,000) be increased to \$50,000 to allow greater flexibility. The revised EL-5.1.1 and EL-5.3 are set forth below. So that the updates take effect with the effective date of the statutory changes, it is further recommended that the Board approve these with an effective date of January 1, 2020.

Board Policy EL-5: With respect to purchasing and contracts activities, use a fair, open and expeditious process and stay within the Board's authorized expenditures. Further a Board Appointed Officer (BAO) shall:

EL-5.1 Not make a single purchase, contract, 3rd party claim settlement of liability, or any other

financial commitment in amounts great than the following unless authorized by the Board.

EL-5.1.1 For Construction Contracts-- ~~\$25,000~~ **\$50,000.**

EL-5.3 Not make a single purchase, contract, or any other financial commitment without a competitive procurement process, unless authorized by the Board or one of the following exemptions is applicable:

EL-5.3.1 Financial commitments less than or equal to ~~\$25,000~~ **\$50,000.**

Adopting these staff recommendations ensures Valley Water is in alignment with the intent of AB 707.

FINANCIAL IMPACT:

There is no financial impact associated with this item.

CEQA:

The recommended action does not constitute a project under CEQA because it does not have the potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

ATTACHMENTS:

Attachment 1: AB707 (Kalra, 2019) Valley Water Contracting

UNCLASSIFIED MANAGER:

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