

# BOLIVAR PENINSULA SPECIAL UTILITY DISTRICT

SUBJECT:  
**PURCHASING OF MATERIALS, SUPPLIES AND EQUIPMENT**

**Policy P-01**

## **PETTY CASH PURCHASES (UP TO \$100.00)**

Items costing up to \$100.00 may be purchased using petty cash funds. However, the policy for petty cash purchases must be followed.

## **PURCHASES LESS THAN \$300.00**

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.

## **PURCHASES GREATER THAN \$300.00 and LESS THAN \$15,000.00**

Items purchased that cost over \$300.00 and do not exceed \$15,000.00 will require prior approval by the General Manager. Furthermore, three bids are required and the item should be purchased from the lowest bidder. If there are extenuating circumstances that make it less economical or impractical to purchase from the lowest bidder, or if it is not possible to obtain three bids, a written justification should be provided to the General Manager along with the bids that were received. 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.

## **PURCHASES GREATER THAN \$15,000.00 AND LESS THAN \$50,000.00**

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 standardized 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.

## **PURCHASES GREATER THAN \$50,000.00**

Purchases greater than \$50,000.00 require formal advertisement for letting of bids. The General Manager will advertise for bids and the advertisement will include the general conditions, 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 the 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.

## **EMERGENCY PURCHASES GREATER THAN \$15,000.00**

In emergency situations that require a purchase to be made prior to the scheduled Board meeting, the General Manager may obtain approval from two officers of the Board of Directors and proceed with obtaining bids for purchase. The purchase must then be made from the lowest bidder. A report must be submitted to the Board of Directors by the General Manager at the next regularly scheduled Board meeting that includes a justification for the emergency purchase.

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AMENDED BY  
THE BOARD OF DIRECTORS  
OCTOBER 9, 2007

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