Finance Policy 6: Purchasing and Spending

I. Purpose

The purpose of this policy is to describe delegation and parameters for spend.

II. Scope

All SVCE purchases.

III. Policy

A. Delegation to the Chief Executive Officer

- The CEO shall have all necessary and proper authority and the ability to further delegate their authority to approve and execute:
  - contracts with a not-to-exceed maximum dollar amount of less than or equal to $250,000 per vendor for a given scope of work, per fiscal year;
  - contracts to provide grants and scholarships that are included within a Board-approved program;
  - grant applications to pursue funding that may supplement SVCE's budget and increase SVCE's ability to spend on activities that are consistent with priorities within SVCE's Strategic Plan;
  - settlement agreements where SVCE is receiving funds up to $250,000 per agreement;
  - amendments or addenda to existing contracts, regardless of the existing contract's price or total amount, which improves the terms of the contract to SVCE's benefit without increasing the contract's non-to-exceed maximum dollar amount; and
  - in the event of an emergency situation contracts with a not-to-exceed maximum dollar amount of;
    - 150% of the maximum dollar amount delegated for vendor agreements in this policy per fiscal year; or
    - 500% of the maximum dollar amount delegated for vendor agreements in this policy per fiscal year with the prior

written consent of two (2) Executive Committee members

- Emergency Procurement Solicitation Guidelines
    - In case of emergency, defined as a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services, goods or services may be procured without complying with the standard procurement requirements in order to mitigate impacts of the emergency.
    - For public works projects subject to informal or formal bidding under the California Uniform Public Construction Cost Accounting Act (CUPCCAA), the Chief Executive Officer shall approve the emergency procurement and shall report to the Board the reasons justifying why the emergency did not permit a delay resulting from a competitive solicitation for bids and why the action was necessary to respond to the emergency. The report must occur not later than seven (7) days after the action, or at the Board's next regularly scheduled meeting if that meeting will occur not later than 14 days after the action. Until the emergency action is terminated, at every regularly scheduled Board meeting, the Board must determine, by a four-fifths vote, that there is a need to continue the action. See Public Contract Code section 22050 *et seq*.
    - For all other procurement of goods and services, the Chief Executive Officer shall disclose any circumstances of an emergency to the Chair and Vice Chair of the Board within 30 days; and report all emergency procurement to the Board within 30 days.
- The CEO shall develop and maintain Purchasing and Spending Standards related to the vendor and/or goods solicitations, sole source justifications, the use and issuance of Purchasing Cards (P-Cards), disposal of property, and general spending under the delegated authority including for employee travel and training, meetings, meals, operations, equipment and workforce development.
- The CEO shall develop Energy Risk Management Standards related to the solicitation and procurement process for all energy products such as electricity, clean attributes, resource adequacy, congestion revenue rights and other hedging products, and any other related products.

- The CEO may delegate their authority under this policy and shall document any such delegations in Purchasing Standards.
- The Board shall adopt Energy Risk Management Policies which include a delegation of authority to the CEO for contracts for energy and related procurement of less than five years in term. All energy related procurement in excess of five years or more, requires Board approval.
- The CEO may authorize staff to make payments utilizing any payment method they deem appropriate. However, all automated clearinghouse (ACH) payments and wire transfers must be approved by the Chief Financial Officer or their delegee.

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.
- Changes to this policy will be reviewed by the Finance and Administration Committee before being presented to the Board.