Del Puerto Health Care District

Board of Directors Meeting – August 31, 2026

8C. Updates to Policies 2130, 2135, 2140, 2170, 2225

Department: Chief Executive Office
Consent Calendar: No

CEO Concurrence: Yes
4/5 Vote Required: No

SUBJECT: **Updates to Policies 2130, 2135, 2140, 2170, 2225**

STAFF REPORT: The following policies are attached with a summary and the updated policy language to meet current legal and pragmatic requirements:

Policy 2130 — Business Travel

Policy 2135 — Statement of Investment Policy

Policy 2140 — Purchasing

Policy 2170 — Employment of Contractors

Policy 2225 — Electronic Device Replacement

See attached policies which are prefaced with a summary of each policy.

STRATEGIC ALIGNMENT: Supports fiscal stewardship, consistent administration, and responsible use of District resources.

FISCAL IMPACT: No material fiscal impact is anticipated. Actual costs will vary; the updates standardize reimbursement and cost-control practices.

STAFFING IMPACT: None

CONTACT PERSON: Karin Freese, Chief Executive Officer

ATTACHMENT(S): Summaries and language of Policies 2130, 2135, 2140, 2170, 2225

RECOMMENDED ACTION: Approve the revised Business Travel Policy No. 2130.

ROLL CALL REQUIRED: NO

RECOMMENDED MOTION: *I move that the Board of Directors approve updated Policies 2130, 2135, 2140, 2170, and 2225 as presented.*

Motion Made By	*Motion*	*Second*	*Aye*	*No*	*Abstain*	*Absent*
Director Antigua						
Director Campo						
Director Gomez						
Director Ramirez						
Director Traore						

I, the undersigned Secretary of the Board of Directors of the Del Puerto Healthcare District, hereby certify that the foregoing is a full, true and correct copy of an action duly adopted by the Board at a meeting thereof on the 10th day of August, 2026, by the above vote of the members:

____
Ma Traore, Board Secretary

DEL PUERTO HEALTH CARE DISTRICT

UPDATED POLICY SUMMARY

Purpose, key rules, and operating guidelines | *August 31, 2026*

The following summaries identify each policy, state its purpose, and highlight the principal rules and guidelines in the proposed policy document.

Policy 2130 | Business Travel

Purpose: To explain District policy on travel expenditures, clarify what is the District's responsibility, and provide guidelines to its employees and Board members.

Key Rules and Guidelines

- The District reimburses only necessary, reasonable, documented business expenses for approved travel, training, meetings, and other District business.
- Employees obtain approval from their manager and the CEO; CEO travel is approved by the Board President or designee; Board travel must comply with Policies 4125 and 4130, the Board-approved budget, and applicable law.
- A signed Travel Request Form is required. After travel, employees submit the updated form, itemized expenses, and receipts to Finance within 15 days; Directors submit within 30 days under Policy 4130.
- Lodging should use the conference group rate or a comparable reasonable government/group rate. Employee meal and incidental per diem uses the destination GSA rate, is paid at 75% on the first and last travel days, and is reduced for qualifying provided meals.
- The District purchases the lowest reasonable total-cost coach or main-cabin airfare. Basic economy is not required when its restrictions impair reasonable travel; one standard checked bag may be reimbursed when necessary. Extra-legroom seats and business-use Wi-Fi require the conditions or advance approval stated in the policy; priority boarding is not reimbursable.
- Personal-vehicle use requires advance approval and is reimbursed at the IRS business mileage rate, but may not exceed the lower of allowable vehicle costs or the reasonable total cost of the District-approved travel method.
- Administration normally arranges travel. Personal extensions, companions, entertainment, and other personal costs are not reimbursable; the District pays no more than the business-only itinerary.
- Board members must submit required receipts and documentation and provide a brief public report at the next regular Board meeting. Reimbursements are intended to comply with IRS accountable-plan rules, and the policy is reviewed at least every three years.

DEL PUERTO HEALTH CARE DISTRICT
POLICY AND PROCEDURE

SECTION: FINANCE
POLICY NUMBER: 2130
PAGE: 1/4

TRAVEL POLICY	EFFECTIVE DATE
	September 5, 2019

REVIEW DATE: August 2029	LAST REVISION DATE: August 31, 2026
POLICY SOURCE: California Special Districts Association Best Practices	

Purpose: To explain District policy on travel expenditures, clarify what is the District's responsibility, and provide guidelines to its employees and board members.

Scope: This policy applies to all personnel and any person being sponsored by the District.

Policy: Del Puerto Health Care District recognizes the necessity for its board members and employees to travel to conduct business, training, or attend meetings. The District reimburses only necessary, reasonable, documented business expenses.

Procedure:

1. **Travel Approval:**
   - A. Approval of travel or travel-related expenses shall be requested as follows::
     - 1) Employee: Department Manager and CEO/designee
     - 2) CEO: Board President or Board-authorized designee
     - 3) Board member: Board travel is authorized under Policies 4125/4130 and the Board-approved budget; the CEO/designee administers the arrangements. Travel outside those authorizations must go to the Board when required.
     - 4) Non-budgeted travel: CEO/designee, except CEO travel
   - B. The request shall be made on the Travel Request Form, dated, and signed by the parties making such a request.
   - C. Under normal conditions, travel expenses shall be budgeted in the applicable department.
   - D. After travel, the employee's pre-approval request form should be updated with itemized expenses and receipts and submitted to the Finance Department within 15 days after return. Directors submit within the 30-day period established by Policy 4130.
2. **Travel Request and Allowable Costs:**
   - A. Requests should include cost of transportation, meeting registration, hotel, per diem, vehicle rental or transportation to and from the airport, mileage, and hotel parking.
   - B. Lodging will be approved at the conference group rate when available at booking; otherwise comparable reasonable lodging, using government/group rates when available.
   - C. Per diem for meals and incidental expenses employee M&IE per diem is generally available only for qualifying travel away from the employee's tax home requiring sleep/rest and shall be paid at the current GSA M&IE rate for the destination.
     - 1) The first and last travel days shall be paid at 75% of that rate.
     - 2) For employees, per diem shall be reduced by the applicable GSA meal component for meals provided as part of registration, a hosted event, or otherwise paid directly by the District. A complimentary hotel breakfast does not reduce per diem unless required by applicable law or District direction.
     - 3) Employee per diem does not require receipts. Expenses paid by District credit card or reimbursed as actual expenses require itemized receipts. Board member reimbursement shall comply with the documentation requirements stated below.

TRAVEL POLICY	EFFECTIVE DATE
	September 5, 2019

3. **Method of Travel:**

   A. Consider replacing the rigid 700-mile threshold with a reasonable-total-cost/business-time standard. It gives the District more flexibility and better reflects stewardship of public funds.

   B. When air travel is the most reasonable and cost-effective method, the traveler is expected to travel by air. A traveler may use a personal vehicle instead with advance approval of the CEO or designee.

   C. Reimbursement for traveling by personal vehicle will be at the then current IRS mileage rate.

   D. Reimbursement for authorized use of a personal vehicle shall be at the IRS standard business mileage rate in effect on the date the mileage is incurred. When a traveler elects to use a personal vehicle instead of the District-approved method of transportation, reimbursement shall not exceed the lower of:

      1) the allowable mileage reimbursement, necessary parking, and tolls; or

      2) the reasonable total cost of the District-approved travel method, including airfare, allowable baggage, ground transportation, airport mileage, and parking.

4. **Air Travel:**

   A. The District will purchase the lowest reasonable total-cost coach or main-cabin airfare that meets the business need. Travelers are not required to purchase basic-economy or similarly restricted fares when those fares do not include reasonable seat selection or carry-on baggage, or when the restrictions materially impair the business purpose of the trip.

   B. The District will reimburse one standard checked bag in each direction when reasonably necessary for the length or purpose of approved travel, or when District materials or equipment require it.

   C. Extra legroom seat fares are not routinely reimbursable. They may be approved in advance when:

      1) Required as a reasonable accommodation approved through the District's applicable accommodation process.

      2) The employee's flight segment is greater than 2.5 hours.

      3) The total cost is equal to or less than the standard seat fare plus baggage charges.

   D. A traveler may personally pay the additional cost of an unapproved upgrade.

   E. The District may reimburse in-flight Wi-Fi when it is necessary for documented District business and approved in advance.

   F. The District will not reimburse priority boarding or other personal optional charges.

5. **Paid Time:**

   A. Non-Exempt/Hourly employees

      1) Required travel time and attendance time are recorded as hours worked and count toward overtime as required by law and any applicable labor agreement.

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2) When an employee elects to use a personal vehicle rather than the District-approved method of travel, reimbursement may be limited to the cost of the approved itinerary. Compensable travel time shall be determined in accordance with applicable law and any applicable collective bargaining agreement. Employees should obtain advance approval if an alternate method of travel will materially increase travel time.

B. Exempt employees are expected to work the number of hours each week necessary to meet their job requirements including attending and travel for meetings with no additional compensation subject to applicable law and labor agreements.

6. **Overnight Accommodations:**

A. The District will allow the employee to travel the night before for:

1) Meetings that start before 9:00 AM and the distance is greater than 90 miles;

2) If the meeting is in an area where on-time arrival in commute traffic would make departure unreasonably early (before 5:00 AM).

B. If the meeting or conference ends prior to 6:00 PM and the distance is less than 200-miles, the employee is expected to return on that day when safe and reasonable.

7. Board Member Travel and Reimbursement:

A. Board member travel and reimbursement shall comply with Health and Safety Code section 32103 and Government Code sections 53232.2 and 53232.3, as applicable. Travel outside the activities or reimbursement limits authorized by Board policy shall receive Board approval at a public meeting before the expense is incurred when required by law.

B. Board members shall submit an expense report with receipts and other documentation required by law. At the next regular Board meeting following attendance at a meeting or event at District expense, the Board member shall provide a brief report regarding the meeting or event.

C. Board members shall be reimbursed for actual meal expenses, not to exceed the applicable GSA M&IE meal component or other limit established by Board policy, and shall submit receipts and documentation required by Government Code section 53232.3.

8. Travel Administration and Restrictions:

A. All travel and lodging arrangements **shall** be made through the Administration Office, unless Administration authorizes the employee to book directly.

B. If there are any questions about what is covered, get approval prior to incurring the expense.

C. For personal extensions: the employee pays incremental airfare, lodging, meals, parking, and other costs; the District pays no more than the business-only itinerary.

D. Companion/spouse expenses are not authorized under the policy and personal entertainment is not reimbursable.

E. In the event of any unforeseen circumstances or interrupted travel, the Administration must be contacted as soon as practicable.

9. **Accountable Plan:**

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A. It is the District's intent that employee travel reimbursements and allowances be administered as an accountable plan under applicable Internal Revenue Service rules.

B. Reimbursed expenses must have a District business purpose; the employee must timely substantiate the date, place, amount when applicable, and business purpose of the expense; and any excess advance, allowance, or reimbursement that is required to be returned must be repaid to the District within the applicable time period.

Review & Updates:

This policy shall be reviewed at least every three years, or sooner if needed to reflect changes in District operations, travel market conditions, law, or Board policy.

DEL PUERTO HEALTH CARE DISTRICT

Policy 2135 | Statement of Investment Policy

Purpose: This statement provides guidelines for the prudent investment and cash management of the District's funds. The purpose of this policy is to establish Del Puerto Health Care District's capital investment objectives, authority and responsibility, approval, instrument limitations, concentrations, terms, reporting, judgment and care, and Finance Committee liability for all of its funds.

Key Rules and Guidelines

- Investment priorities are, in order: safeguarding principal, maintaining sufficient liquidity, and earning a return after safety and liquidity requirements are met.
- All investments must comply with California Government Code section 53600 et seq. and the prudent-investor standard in section 53600.3.
- The Finance Committee oversees investment matters and makes at least annual recommendations to the Board. The Board delegates investment and deposit decisions to the CEO/Administrator with Finance Committee approval and direction.
- The portfolio must be diversified. No more than $1,000,000 may be invested in one corporation or diversified management company, and no more than 20% of invested assets may be held in securities of one bank, corporation, or legal entity. The stated exceptions include LAIF, California CLASS, and U.S. Government-guaranteed instruments.
- Investments generally may not have more than five years remaining to maturity unless a statutory exception applies or the Board authorizes the investment in advance. Investments must be redeemable before maturity or salable in an established secondary market.
- Authorized instruments and their maturity, concentration, and credit-quality limits are governed by Government Code section 53601 and the policy's investment matrix. The portfolio may include LAIF and California CLASS when policy requirements are met.
- Prohibited investments include inverse floaters, range notes, interest-only mortgage strips, and securities that could result in zero interest accrual if held to maturity, subject to applicable statutory exceptions.
- The CEO reports investments monthly to the Finance Committee; the Finance Committee reports quarterly to the Board, including compliance and cash-flow information. Conflicts must be documented and disclosed, and the policy receives a triennial review with major changes approved by the Board.

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STATEMENT OF INVESTMENT POLICY	EFFECTIVE DATE August 27, 2002

REVIEW DATES: August 2003 / June 2008 / September 2011	REVISION DATES: December 5,2011; November 30, 2020; Feb 16, 2022
POLICY SOURCE: Established District Policy; Nov 2020 updates recommended by Fiduciary Trust International; CSDA 2022 Debt Management Best Practices	

PURPOSE

This statement provides guidelines for the prudent investment and cash management of the District's funds.

The purpose of this policy is to establish Del Puerto Health Care District's capital investment objectives, authority and responsibility, approval, instrument limitations, concentrations, terms, reporting, judgment and care, and Finance Committee's liability for all of its funds.

OBJECTIVE

The District's cash management system is designed to monitor and forecast accurately expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible. The District's primary objective is to safeguard the principal of the funds; the second objective is to meet the liquidity needs of the District; and the third objective is to achieve a return on the invested funds.

POLICY

At all times, the District shall invest and deposit its funds in accordance with the rules and restrictions established by the laws of the State of California (Government Code Section 53600 et seq.). The District shall conduct its investments under the "prudent investor standard" set forth in California Government Code Section 53600.3:

> *When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.*

AUTHORITY AND RESPONSIBILITY

The Finance Committee shall have the authority and responsibility to purchase and invest prudently. The Finance Committee is comprised of two Board Members, who meet monthly to review finances of the District. The member and the chairperson are appointed by the President at the first meeting immediately upon the election of officers, and shall serve for one (1) year, unless sooner removed or resigns (DPHCD Bylaws). The Board hereby delegates to the CEO/Administrator with the approval and recommendations of the Finance Committee, the authority to determine and select appropriate investments and direct the deposit of District funds in accordance with this Policy.

The Finance Committee shall review investments and policy matters and shall make recommendations, at least annually, to the Board of Directors.

The CEO/Administrator will investigate and recommend investments within the guidelines of this policy. The CEO/Administrator shall have the authority to act pursuant to the instructions and directions of the Finance

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Committee with respect to investing and depositing District funds within the limitations of this policy.

CRITERIA FOR INVESTMENTS

1. Criteria for Selecting Investments. Criteria for selecting investments are:
   a. Safety. The safety and risk associated with an investment refer to the potential loss of principal, interest, or a combination of these amounts. The District shall operate only in those investments that are considered very safe as determined by a qualified investment broker.

   b. Liquidity. An adequate percentage of the portfolio, in the approximate amount of annual operating expenses, should be maintained in liquid short-term investments, which can be converted to cash if necessary to meet disbursement requirements. A short-term investment is defined as any investment, which matures within a one-year period.

   c. Yield. Yield becomes a consideration only after the basic requirements of safety and liquidity have been met.

2. Delivery and Safekeeping of Securities. Securities shall be delivered by book entry, physical delivery or by third party custodial agreement. (California Government Code Section 53601). All securities will be kept safe in the name of Del Puerto Health Care District and will be held by a financial institution authorized by the Del Puerto Health Care Board of Directors.

3. Diversification. The portfolio should consist of a mix of authorized types of investments described in this policy. As a general rule, long-term maturities should not represent a significant percentage of the total portfolio, as the principal risk involved can outweigh the potential for higher earnings. No more than $1,000,000 shall be invested in any one corporation or diversified management company. Subject to the requirements of this policy there shall be no restrictions on the amounts invested in the State of California Local Agency Investment Fund (LAIF), California Cooperative Liquid Assets Securities System (California CLASS), and in U.S. Government guaranteed instruments. No more than 20% of the total invested assets may be invested in securities of any one bank, corporation, or other legal entity.

4. Terms of Investments. Except for public statutory exceptions or when authorized by the Board of Directors either specifically or as part of an investment program no less than 3 months prior to the investment, no investment shall be made in a security with a term remaining to maturity in excess of five years. (California Government Code Section 53601). Investments must be redeemable prior to maturity, even if with a penalty, or salable in an established secondary market.

5. Allowable Investment Instruments. The District may invest in the investment instruments authorized by the California Government Code, subject to any conditions set forth in the California Government Code. The list of authorized investments is Attached hereto as Appendix A. Appendix A shall be revised as necessary to reflect any amendments to Government Code Section 53601.

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Investment Type	Maximum Remaining Maturity	Maximum Specified % Portfolio	Minimum Quality Requirements	Government Code Section
Local Agency Bonds	5 years	None	None	53601(a)
U.S. Treasury Obligations	5 years	None	None	53601(b)
State Obligations: CA and Others	5 years	None	None	53601(d)
CA Local Agency Obligations	5 years	None	None	53601(e)
U.S. Agency Obligations	5 years	None	None	53601(f)
Bankers' Acceptances	180 days	40%	None	53601(g)
Commercial Paper: Non-pooled Funds	270 days or less	25% of the agency's money	Highest letter and number rating by an NRSROH	53601(h)(2)(c)
Commercial Paper: Pooled Funds	270 days or less	40% of the agency's money	Highest letter and number rating by an NRSROH	53601(a)(1)
Negotiable Certificates of Deposit	5 years	30%	None	53601(i)
Non-negotiable Certificates of Deposit	5 years	None	None	53630 et seq.
Placement Service Deposits	5 years	30%	None	53601.8 and 53635.8
Placement Service Certificates of Deposit	5 years	30%	None	53601.8 and 53635.8
Repurchase Agreements	1 year	None	None	53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None	53601(j)
Medium-term Notes N	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
Mutual Funds and Money Market Mutual Funds	N/A	20%	Multiple	53601(l) and 53601.6(b)
Collateralized Bank Deposits	5 years	None	None	53630 et seq. and 53601(n)
Mortgage Pass–through and Asset Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better	53601(o)
County Pooled Investment Funds	N/A	None	None	27133
Joint Powers Authority Pool	N/A	None	Multiple	53601(p)
Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
Voluntary Investment Program Fund	N/A	None	None	16340
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better	53601(q)

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With respect to commercial paper and long-term debt, the following criteria shall apply:

A. A-I/P-1 rating on commercial paper from Standard & Poor's or Moody's Investor Service.

B. Single "A" category or better long-term debt rating or its equivalent, if any, from Standard & Poor's or Moody's Investor Service.

6. Local Agency Investment Fund. In addition to the investment instruments set forth in Appendix A, the Chief Financial Officer may invest District funds in the Local Agency Investment Fund pursuant to California Government Code Section 16429.1.

7. Prohibited Investments. The District shall not invest any funds in inverse floaters, range notes or interest-only strips that are derived from a pool of mortgages. The District shall not invest any funds in any security that could result in zero interest accrual if held to maturity; , except under a provision sunsetting on January 1, 2026, securities issued or backed by the U.S. Government that could result in a negative or zero interest accrual if held to maturity are permitted; however, the District may hold a prohibited instrument until its maturity date. The limitation does not apply to investments in shares of beneficial interest issued by diversified management companies as set forth in California Government Code Section 53601.6.

GUIDELINES FOR REGULAR EVALUATION OF RESULTS

DPHCD's investment portfolio will be evaluated against a benchmark representing a comparable investment in short-term US Treasuries. While yield and income can be important factors while evaluating budget and other concerns the portfolio should be evaluated on a "total return" basis, incorporating both income and market value in the performance calculation. The current performance benchmark for DPHCD's investment portfolio is Local Agency Investment Fund Quarterly Apportionment Rate. Changes to the benchmark in the future will be allowable through discussions between the CEO/Administrator and the Finance Committee and subject to board approval. Performance should be evaluated longer term in the context of a full market cycle which we consider to be in the range of 5-7 years.

CRITERIA FOR DEPOSIT OF FUNDS

Unless otherwise invested pursuant to this Policy, all money belonging to or in the custody of the District including money paid to the District to pay the principal, interest or penalties of bonds, shall as far as possible be deposited for safekeeping in state or national banks, savings associations or federal associations, credit unions or federally insured industrial loan companies in California (as defined by California Government Code Section 53630).

The District recognizes the need for local community support and therefore has designated investment in local community banks that serve within the District. Funds will be deposited with those banks with consideration to the need for preservation of capital, liquidity and yield.

Pursuant to California Government Code Section 53638, the maximum deposit shall not exceed the shareholder's equity in any depository bank; the total net worth of any depository savings association; or the total of unimpaired capital and surplus of any credit union or industrial loan company.

Pursuant to California Government Code Sections 53635, 53637 and 53638, the money shall be

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deposited in any authorized depository with the objective of realizing maximum return, consistent with prudent financial management.

No more than $1,000,000 principal shall be deposited in any single bank or savings and loan association with regulatory collateralization requirements. No more than the highest insured amount of principal shall be deposited in any single bank or savings and loan association with insurance through FDIC or FSLIC.

Banks or savings and loan associations must also have consistently profitable operations, and must have net worth ratios, which exceed their regulatory requirements.

REPORTING

Monthly: The CEO shall render a monthly report to the Finance Committee of the District showing the type of investment, institution, date purchased, date of maturity, amount of deposit and rate of interest.

Quarterly: In addition, the Finance Committee shall, each quarter, render to the Board a report that includes the following information:

1. type of investment, issuer, date of maturity, par and dollar amount invested in all securities, investments and money held by the District;

2. description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs;

3. for all securities held by the District or under management by any outside party that is not a local agency or the State of California Local Agency Investment Fund, a current market value as of the date of the report and the source of this valuation;

4. statement that the portfolio complies with the Investment Policy or the manner in which the portfolio is not in compliance; and

5. statement that the District has the ability to meet its pool's expenditure requirements (cash flow) for the next six months or provide an explanation as to why sufficient money shall or may not be available.

If the District places all of its investments in the Local Agency Investment Fund, Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association or county investment pool (or any combination of these three), the Treasurer can submit, on at least a quarterly basis, the most recent statements from these institutions to meet the requirements of items 1-3 above, with a supplemental report addressing items 4 and 5 above. (California Government Code Section 53646(b)-(e).)

DISTRICT TREASURER LIABILITY

When District funds are invested in accordance with this Statement of Investment Policy, the Finance Committee shall not be liable for any loss resulting from the default or insolvency of an authorized depository in the absence of negligence, malfeasance, misfeasance or nonfeasance on the part of the Finance Committee.

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CONFLICTS OF INTEREST

DPHCD recognizes that inherent conflicts of interest exist across a multi-faceted financial industry. DPHCD's Finance Committee and CEO/Administrator will strive to identify, document, and where necessary avoid known areas of conflict or potential conflicts of interest. At a minimum, known conflicts of interest must be documented for review and communicated to DPHCD's Finance Committee. Arrangements with potential conflict should be analyzed carefully weighing the conflicts against the opportunity. The CEO/Administrator is required to provide written notification disclosing conflicts of interest surrounding investments with affiliated entities such as mutual funds, investment managers, and service providers.

PROCESS FOR REVIEWING THE INVESTMENT POLICY STATEMENT –

DPHCD's Investment Policy Statement shall be reviewed on a triennial basis at a minimum. Major changes to Investment Policy require the approval of DPHCD's Board on recommendation from the Finance Committee. Ongoing maintenance and minor changes to policy shall be the responsibility of the CEO/Administrator and will be reviewed by the Finance Committee, subject to final Board approval.

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APPENDIX A

(a) Bonds issued by the District, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency, or authority of the local agency.

(b) United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(c) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(d) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(e) Obligations issued by banks for cooperatives, federal land banks, federal intermediate credit banks, federal home loan banks, the Federal Home Loan Bank Board, the Tennessee Valley Authority, or in obligations, participations, or other instruments of, or issued by, or fully guaranteed as to principal and interest by, the Federal National Mortgage Association; or in guaranteed portions of Small Business Administration notes; or in obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise.

(f) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances. Purchases of bankers acceptances may not exceed 180 days maturity or 40 percent of the agency's surplus money that may be invested pursuant to this section. However, no more than 30 percent of the agency's surplus funds may be invested in the bankers acceptances of any one commercial bank pursuant to this section.

(g) Commercial paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Eligible paper is further limited to issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars ($500,000,000) and having an "A" category or higher rating for the issuer's debt, other than commercial paper, if any, as provided for by Moody's Investors Service, Inc., or Standard and Poor's Corporation. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. Purchases of commercial paper may not exceed 15 percent of the agency's surplus money that may be invested pursuant to this section. An additional 15 percent, or a total of 30 percent of the agency's surplus money, may be invested pursuant to this subdivision. The additional 15 percent may be so invested only if the dollar-weighted average maturity of the entire amount does not, ., , exceed 31 days. "Dollar-weighted average maturity" means the sum of the amount of each outstanding commercial paper investment multiplied by the number of days to maturity, divided by the total amount of outstanding commercial paper.

(h) Negotiable certificates of deposits issued by a nationally or state-chartered bank or a state or federal association (as defined by Section 5102 of the Financial Code) or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency's surplus money, which may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638.

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(i) (l) Investments in repurchase agreements or reverse repurchase agreements or securities lending agreements of any securities authorized by this section, as long as the agreements are subject to this subdivision, including, the delivery requirements specified in this section.

(2) Investments in repurchase agreements may be made, on any investment authorized in this section, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

(3) Reverse repurchase agreements or securities lending agreements may be utilized only when either of the following conditions are met:

(A) The security was owned or specifically committed to purchase, by the local agency, prior to December 31, 1994, and was sold using a reverse repurchase agreement or securities lending agreement on December 31,1994.

(B) The security to be sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale; the total of all reverse repurchase agreements and securities lending agreements on investments owned by the local agency not purchased or committed to purchase, prior to December 31,1994, does not exceed 20 percent of the base value of the portfolio; and the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(4) After December 31,1994, a reverse repurchase agreement or securities lending agreement may not be entered into with securities not sold on a reverse repurchase agreement or securities lending agreement and purchased, or committed to purchase, prior to that date, as a means of financing or paying for the security sold on a reverse repurchase agreement or securities lending agreement, but may only be entered into with securities owned and previously paid for a minimum of 30 days prior to the settlement of the reverse repurchase agreement or securities lending agreement, in order to supplement the yield on securities owned and previously paid for or to provide funds for the immediate payment of a local agency obligation. Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement, on securities originally purchased subsequent to December 31,1994, shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the reverse repurchase agreement or securities lending agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.
Reverse repurchase agreements or securities lending agreements specified in subparagraph (B) of paragraph (3) may not be entered into unless the percentage restrictions specified in that subparagraph are met, including the total of any reverse repurchase agreements or securities lending agreements specified in subparagraph (A) of paragraph (3).

STATEMENT OF INVESTMENT POLICY	EFFECTIVE DATE
	August 27, 2002

(5) Investments in reverse repurchase agreements, securities lending agreements, or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security, may only be made upon prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of New York.

(6) (A) "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

(B) "Securities," for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date, and maturity.

(C) "Reverse repurchase agreement" means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(D) "Securities lending agreement" means an agreement under which a local agency agrees to transfer securities to a borrower who, in turn, agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(E) F
or purposes of this section, the base value of the local agency's pool portfolio shall be that. dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, securities lending agreements, or other similar borrowing methods. For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(j) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated "A" category or better by a nationally recognized rating service. Purchases of medium-term notes shall not include other instruments authorized by this section and may not exceed 30 percent of the agency's surplus money which may be invested pursuant to this section.

(k) (l) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivisions (m)or (n) and that comply with the investment restrictions of this article and Article 2 (commencing with Section 53630). However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement or securities lending agreement is not required to be a primary dealer of the Federal Reserve Bank of New York if the company's board of directors finds that the counterparty presents a minimal risk of default, and the value of the securities underlying a repurchase agreement or securities lending agreement may be 100 percent of the sales price if the securities are marked to market daily.

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(2) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 *(15 U.S.C. Sec. 80a-1* and following).

(3) If investment is in shares issued pursuant to paragraph (1), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally, recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (j), inclusive, or subdivisions (m) or (n) and with assets under management in excess of five hundred million dollars ($500,000,000).

(4) If investment is in shares issued pursuant to paragraph (2), the company shall have met either of the following criteria:

(A) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(B) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

(5) The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section. However, no more, than 10 percent of the agency's surplus funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

(l) Notwithstanding anything to the contrary contained in this section, Section 53635, or any other provision of law, moneys held by a trustee or fiscal agent and pledged to the payment or security of bonds or other indebtedness, or obligations under a lease, installment sale, or other ' agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

(m) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of

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securities in which the security interest is granted.

(n) Any mortgage passthrough security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond of a maximum of five years maturity. Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by a nationally recognized rating service.
Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

[Appendix A to be amended to reflect any amendments to Government Code Section 53601]

Policy 2140 | Purchasing

Purpose: The Del Puerto Health Care District Purchasing Policy establishes policies and procedures for acquiring services and materials, equipment, and supplies, and for Public Works projects, pursuant to Government Code section 54201 et seq.

Key Rules and Guidelines

- Delegated budgeted-purchase authority is: CEO up to $25,000; Department Directors up to $10,000; and Department Managers up to $5,000. Only the CEO has delegated contract-signature authority, up to $25,000; contracts of $25,001 or more require Board authorization.
- Competitive solicitation requirements are: one written quote for purchases of $10,000 or less; three written quotes for $10,001 through $75,000; and an RFP, RFQ, or Invitation to Bid for $75,001 or more, unless a documented policy exception applies.
- Purchases may not be split to avoid an approval or competition threshold. The total purchase amount includes applicable taxes, shipping, freight, and related costs.
- Staff generally use advance requisitions and purchase orders. Cal Cards are limited to authorized miscellaneous purchases and may not be used to acquire services because the transactions lack required insurance and indemnification terms.
- Written contracts are required when non-professional services, professional services, or Public Works expenditures exceed $5,000, except during an emergency. Contracts may not be made without sufficient budgeted and appropriated funds unless otherwise authorized.
- For initial approval, a multi-year contract is evaluated using its total value, including optional renewal periods. After proper initial approval, the CEO may authorize a pre-priced renewal that is consistent with the approved contract.
- Routine non-discretionary payments do not require Board payment approval even above $25,000, but the initial engagement of software licenses and cloud services remains subject to the normal purchasing limits. Emergency expenditures above $25,000 may be authorized by the CEO or Emergency Operations Director with notice to the Board at its next regular meeting.
- Public Works procurements must follow State law, including applicable prevailing-wage, payment-bond, performance-bond, subcontractor-listing, and lowest-responsive-responsible-bidder requirements. Professional services above $75,000 generally require an RFP unless a stated exception applies; engineering services above $25,000 are subject to the policy's proposal requirements.
- Change orders are subject to 10% and $75,000 limits and the authority levels in the policy; changes exceeding the stated limits require Board approval unless urgent advance authorization is justified, followed by Board notification. Authorized purchasers must comply with conflict-of-interest requirements and file Form 700 when required.

DEL PUERTO HEALTH CARE DISTRICT
POLICY AND PROCEDURE

SECTION: FINANCE
POLICY NUMBER: 2140

PURCHASING	EFFECTIVE DATE AUGUST 31, 2026

REVIEW DATE:	REVISION DATE:
POLICY SOURCE: California Special Districts Association Best Practice	

Purpose: The Del Puerto Health Care District Purchasing Policy (this "Policy") establishes policies and procedures for acquiring services and materials, equipment, and supplies (referred to collectively as "materials"), and for Public Works projects, for the Del Puerto Health Care District (the "District"), pursuant to Government Code Section 54201 et seq.

California Government Code Section 54202: requires every local agency to adopt policies and procedures, including bidding regulations, governing purchases of supplies, materials and equipment and that said purchases shall be in accordance with said duly adopted policies and procedures.

California Government Code Section 54204: requires that if the local agency is other than a city or county, policies provided for in Section 54202 shall be adopted by means of a written rule or regulation, copies of which shall be available for public distribution.

This Policy establishes the Board of Directors' (the "Board") approved policies with respect to the procurement of services and materials and for Public Works projects, including expenditure authorization and limits, competitive proposal and bidding requirements, and general procurement procedures. All purchases of services or materials and Public Works projects to be paid for by the District must adhere to the authority level and dollar limits of this Policy as set forth in Section 2, except as otherwise provided by specific terms and exceptions set forth in this Policy.

Policy:

Authorization

a. By adoption of this Policy, the Board is authorizing the CEO, or his/her designated representatives to exercise certain duties and responsibilities that are essential for the day-to-day operation of the District.
b. The CEO may delegate the procurement of services and materials and the provision of Public Works projects to those staff members given specific authority, consistent with the terms of this Policy.
c. Delegation of purchasing authority may be through the authorized use of purchasing cards, purchase orders, check requests, or other written authorization. All such purchases will be made in conformity with the policies and procedures prescribed within this Policy.
d. The Board-established procurement limits and contract signatory authority are listed in Table 1 below. These limits are applicable on a per-expenditure/per-contract basis, not on an aggregated basis, for unrelated activities.

Table 1

Procurement Limits and Contract Signature Authority		
Position	**Budgeted Expenditures**	**Contract Signature Authority**
CEO	up to $25,000	$25,001 and over with Board authorization Up to $25,000 without Board authorization
Department Heads	up to $10,000	None

Procurement practices shall comply with laws, regulations and guidelines of the State and any other applicable law, and the provisions of grant or funding contracts, if applicable.

Any employee/individual effecting any procurement action outside of the policies and procedures established by this Policy and without CEO or Board authorization to do so, shall be subject to disciplinary action and/or termination in accordance with District policies.

Expenditures and Contract awards must be authorized by the appropriate authorization level indicated in Table 1.

Separating or dividing Contracts into smaller components for the purpose of bringing the cost of one or more Contracts below any specified sum to avoid a requirement in any section of this Policy or any policy incorporated herein is strictly prohibited. Contracts may be divided only to meet unique scheduling of a project or to accommodate necessary time frames. In addition, no specifications shall be drafted in such a manner as to limit competitive bidding or solicitation directly or indirectly to any one specific vendor, or any specific brand, product, thing, or service, except for those items that are approved as exempt from competitive bidding or solicitation requirements as provided.

Purchase amounts include taxes and the cost of shipping, freight fees and any other charges billed by the supplier or contractor for purposes of the authorization limits under this Policy.

Purchase authorization and expenditure limits in Table 1, and competitive solicitation requirements in Table 2 and as further set forth in this Policy, are on a per purchase/per contract basis and shall not be applied as an aggregate limit to any vendor, supplier, contractor, or Consultant.

The District may use electronic commerce whenever practicable or cost-effective. The District may accept electronic signatures and records in connection with District procurement, as permitted by applicable law.

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Definitions:

Administrative Personnel – District administrative employees authorized by the CEO to purchase miscellaneous items, food, and travel in support of District functions; includes any administrative position as authorized by the CEO.

Amendment – A written change or addition to a legal document which, when properly executed, has the same legal validity of the original document.

Board – The Board of Directors of Del Puerto Health Care District.

Change Order – A written Amendment modifying the terms of an existing Contract or Purchase Order.

Consultant – An individual, firm or entity that provides or offers to provide Professional Services to the District.

Contingency - A predetermined amount or percentage of a Contract held for changes in a Public Works project.

Contract - Written agreement authorizing a contractor, Consultant, supplier or service provider to provide materials or services, or Public Works, in accordance with the material requirements, conditions or scope of work stated in the Contract.

Cooperative Purchasing – Participation with other agencies in cooperative purchasing arrangements and programs to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses.

District –Del Puerto Health Care District.

Emergency – A situation in which unforeseen circumstances present an immediate risk of harm or hazard to the public health, safety, and welfare, or to the District property, or threaten serious interruption of District operations.

CEO – CEO of the District or the person appointed by the Board to act in the capacity of the CEO and authorized to administer this Policy on his/her behalf.

Invitation for Bids - A formal process for soliciting sealed bids from qualified, prospective suppliers or Public Works contractors. Typically involves a formal bid opening, and the awarding of a Contract to a responsive and responsible supplier or contractor based on price and other specified factors, and as otherwise required by law.

Multiple Year Contract - A Contract for the purchase of services or materials, or for Public Works for a multiple year term or that may contain provisions to extend performance by exercising optional renewal periods. A Multiple Year Contract does not obligate the District beyond the initial award period and shall not provide for a cancellation payment to the contractor if options are not exercised.

Non-Discretionary Purchases – Payments to utilities, license renewals for software and cloud-based services that support critical business services, temporary employment services, insurance providers, healthcare providers and national, state, or local agencies that relate to routine obligations and expenses essential to the District's ability to provide service to customers and that have been approved in fiscal year operating or capital budgets.

Non-Professional Services – Services other than Professional Services, including supply and maintenance services.

Procurement - The purchase or lease of materials, supplies, equipment or services, or Public Works.

Professional Services – Any type of special service or advice in financial, economic, accounting, engineering, legal or administrative matters by persons specially trained and experienced and competent to perform the special services required. (Gov't Code § 53060.) Such services include but are not limited to architectural; engineering; environmental; financial; land surveying; Public Works management; audits; training services; legal services; preparation of planning or studies; technology application development; and personnel, job classification and benefit studies.

Public Works – As defined by California Public Code Section 22002, public projects include construction, reconstruction, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased or operated facility. Maintenance work is not considered a public project for purposes of this definition.

Purchasing Card - A form of charge card that allows materials and services to be purchased without using a Purchase Order. The District participates in the Cal Card credit card programs.

Purchase Order (PO) – – An authorization, under a standardized form in which the party designated as the "provider" is to provide materials and/or services for which the District agrees to pay.

Request for Proposal (RFP) - A solicitation used for the procurement of Professional Services and Non- Professional Services. Prospective suppliers or Consultants submit requested information and are evaluated/awarded based on pre-established criteria.

Request for Quotes (RFQ) - A solicitation used for procurement of supplies, materials, or equipment.

Requisition (REQ) - The procedural method by which departments may request a PO for the purchase of materials, supplies or equipment. Requisitions are entered into the District's ERP system application.

Single Source Purchase - Procurement where: (1) there is a compelling reason for only one source, a preferred brand, like material, etc., to be procured; or (2) the commodity is unique, including, but not limited to, acquisition of data processing, telecommunications and word processing equipment, goods and services; or (3) the purchase of a specific brand name, make or model is necessary to match existing District equipment or facilitate effective maintenance and support; or (4) when it is in the best interest of the District to extend or renew a Contract from a previous contract period, based on satisfactory service, reasonable prices, avoidance of start-up costs, avoidance of interruptions to District business, or good business practices.

Sole Source Purchase - Procurement where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment, copyrights, etc.

Staff Accountant – The District employee assigned the duties of identifying vendors, obtaining competitive bids, issuing, and processing Purchase Order Requisitions, maintaining office inventory, and assisting the CEO in the application of Policy procedures within the District.

Procedure: The following methods are available to initiate a purchase request or to pay for materials, services, or Public Works:

Requisition/Purchase Order: Staff that require materials or services to carry out the defined duties of their positions shall submit Requisitions, in advance, for purchases in accordance with this Policy and other applicable procedures and policies of the District. The Purchasing Department will generate a PO from the Requisition.

Credit Cards: Designated staff may be assigned a Cal Card for miscellaneous purchases that fall within the authorization limits in Table 1. Purchases using the Cal Card are subject to the terms and conditions of the District Cardholder Acceptance Agreement and any other applicable District Cal Card policies or procedures. Services are not to be acquired on Cal Cards due to lack of insurance and indemnification language associated with these purchases. Use of all other Purchasing Cards are subject to the terms of this Policy and to any usage terms provided at the time of card issuance to the designated staff and any subsequent amendments to such terms, and other applicable District policies. Use of the Cal Card is not to be used in lieu of situations where a Purchase Order or other Procurement methods would be appropriate.

Contracts: Provisions shall be made, either through specifications or procedures established by the District, for verification of the references and financial responsibility of the contracting parties prior to the award of a Contract. After award, all Contracts shall be executed on behalf of the District by the appropriate authorized signatory indicated in Table 1. In no case shall any Contract be made if sufficient funds are not budgeted and appropriated and not available to make payment promptly upon delivery or completion, or in accordance with a progress payment schedule, unless otherwise authorized and approved by the Board or approved by the CEO as provided for in Section 6.2 (Emergency).

Contracts for Non-Professional Services, Professional Services and Public Works shall be executed when an expenditure exceeds $5,000 (except in the event of an Emergency).

Multiple Year Contracts are allowed when in the best interests of the District as determined and executed by the CEO. For purposes of procurement authorization, the dollar value of a Multiple Year Contract shall be the total contract value, including optional renewal periods. Once initially approved in accordance with the Policy requirements, any optional renewals may then be authorized by the CEO at the time of renewal, regardless of the dollar amount, provided the pre-priced option is consistent with the terms of the contract as initially approved.

EXCEPTIONS TO PRE-AUTHORIZATION

Non-Discretionary Purchases: Do not require Board approval for payment, including those that exceed the CEO limit of $25,000. Initial engagement in all software license agreements and cloud-based service agreements are subject to the purchasing limitations as set forth in Table 1. Purchase Orders are not required for Non-Discretionary Purchases.

Emergency Work/Services: The CEO or the assigned Emergency Operations Director may authorize Emergency expenditures for work, services, and/or supplies where the cost exceeds $25,000 without prior Board approval. The Board shall be notified of any expenditures for Emergency work, services and/or supplies exceeding the CEO's authorization limit at the next regularly scheduled Board meeting.

COMPETITIVE SELECTION PROCESS

General: A competitive selection process for procurement of services and materials, and for Public Works projects, is required in accordance with the limits as set forth in Table 2 below (subject to certain exceptions, qualifications or limitations as further set forth below).

Table 2

Competitive Solicitation Process - Requirements	
Purchase Amount	**Solicitation Requirement**
$10,000 and under	*One Quote*
$10,001-$75,000	*Three Quotes*
$75,001 and over	*RFP or RFQ or Invitation to Bid Process Required*

Competitive Solicitation - Submission.

- All quotes, bids and proposals must be in writing.
- RFP, RFQ, and Invitation to Bid submissions must be in writing and be in substantial compliance with terms in the solicitation, or as otherwise required by law, or may be disqualified.
- Quotes, bids, and proposal documentation shall be retained pursuant to the District's record retention policy.

Exceptions from Competitive Solicitation Process - Generally. Solicitation of bids or proposals is preferable whenever practicable. In addition, the competitive solicitation requirements set forth under Table 2 may be waived when any of the following is applicable:

- Sole Source Purchases.
- Single Source Purchases.
- Emergency expenditures.
- Supplies, materials or equipment procured through a Cooperative Purchasing program with federal, state, county, or other public agencies.
- After a reasonable attempt has been made to obtain competitive quotes/ responses and it has been determined that no additional suppliers/providers/contractors/Consultants can

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be located; the District has a lack of response from suppliers/providers/contractors/Consultants to a competitive solicitation; or, when sufficient, satisfactory bids/proposals are not received, based on the District's sole discretion.

- Purchases to replenish the District's warehouse inventory within established inventory re-order levels.
- As dictated by law.

It shall be at the discretion of the CEO to determine whether an expenditure meets the qualifications listed herein to be exempt from a competitive solicitation, subject to any Board authorization.

Public Works: Contracts for Public Works projects shall conform to applicable requirements for Public Works contracts under State law, including but not limited to requirements relating to listing of subcontractors, posting of a payment bond in an amount not less than 100% of the total contract amount (for all Public Works contracts over $25,000) and payment of prevailing wages (for all contracts for Public Works exceeding $1,000), or as otherwise required by statute. Unless specifically waived by the District with the approval of the CEO and District's legal counsel, the District shall require performance bonds for all Public Works Contracts in an amount not less than 100% of the total contract amount,. Public Works Contracts let by an Invitation to Bid shall be awarded to the lowest responsive, responsible bidder in accordance with State law and the District's standard Public Works contract documents.

Professional Services (over $75,000): RFPs will be initiated pursuant to the limits set forth in Table 2 when the Contract is anticipated to exceed $75,000, unless the District's needs mandate uniquely qualified services, in which case only one proposal from a qualified firm may be solicited. Professional Services shall be engaged in accordance with California Government Code §4525 et seq., on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the District.

Professional Engineering Services: The District may request proposals for engineering services when the contract amount is anticipated to exceed $25,000, and up to $75,000. For engineering services anticipated to exceed $75,000, RFPs will be initiated pursuant to the limits set forth in Table 2.

Exceptions from Competitive Solicitation Process – Professional Services: In addition to the exception for "uniquely qualified services" set forth under Section 7.3, the following criteria shall apply as exceptions to the competitive solicitation requirements set forth under Table 2 for Professional Services where such requirements would otherwise apply:

- For Professional Services estimated to cost $25,000 or less, staff may request a proposal from one (1) qualified Consultant selecting from the list of qualified Consultants on file with the District.

- For Public Works projects where the project design is scheduled in phases, the related Professional Services may be negotiated with the Consultant that performed the work for a prior phase, if the Consultant performed satisfactory work on the prior phase(s) in terms

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of quality, schedule and estimated design costs and a satisfactory Contract can be negotiated.

- For Professional Services in which it is impracticable to comply with the selection process because of the unique, exploratory or experimental nature of the project, staff may request a proposal from one (1) qualified Consultant selecting from a list of qualified Consultants on file with the District.

Rejecting Competitive Responses - In response to an Invitation to Bid, RFQ, or RFP, the District may reject a bid or other response which is in any way incomplete, irregular, amplified, unqualified, conditional, or otherwise not in compliance with the solicitation documents in all material respects, and in accordance with law. The District may waive any informality, irregularity, immaterial defects or technicalities in any bids or other responses received; and/or cancel an invitation for bids or RFP/RFQ or reject all bids or responses for any other reason, which indicates the cancellation or rejection of all bids or responses is in the best interest of the District, and in accordance with law. Rejection of all bids or responses or cancellation of competitive solicitations, including determinations to re-bid, or re-solicit are subject to the same level of authority which is required to award a Contract as provided under Table 1, and as required by law.

In the case of RFPs and RFQs, the CEO and the Board reserve the right to award Contracts based upon the best interests of the District, as determined by the District in its sole discretion.

CHANGE ORDERS

Change Orders may be issued from time to time as required by changes in the specifications or conditions of a project, services performed, or materials issued.

For Contracts and Amendments under $75,000:

Change Orders up to 10% of the original Contract amount can be approved by the appropriate authorization levels as outlined in Table 1 up to a maximum total Contract amount of $75,000 without Board approval.

Board approval is required for Change Order requests exceeding the original Contract amount by more than 10% or resulting in a total Contract amount over $75,000.

For Contracts and Amendments $75,001 and over:

Change Orders up to 10% (to a maximum additional $75,000) of the original Contract amount can be approved by the appropriate authorization levels as outlined in Table 1 without Board approval.

Board approval is required for Change Order requests exceeding the original Contract amount by more than 10% or resulting in a $75,000 increase. A Change Order exceeding the Change Order limits set forth in this article may be authorized by the CEO prior to Board approval if, in the CEO's determination, any of the following circumstances exist:

- A delay in Change Order authorization could result in a negative financial impact to the District.
- A delay in Change Order authorization could result in damage to or impairment of the operations of a District facility.
- An Emergency exists which requires immediate work/services.

The Board shall be notified of any Change Order authorization exceeding the CEO's authorization limit at the next regularly scheduled Board meeting.

ETHICAL PROCUREMENT- CONFLICT OF INTEREST

Board members, and District employees shall not be financially interested in any contract made by them in their official capacity. (Government Code Section 1090). Board Members and employees shall not participate in any way to influence a governmental decision in which he/she knows or has reason to know that he/she has a financial interest. (Government Code Section 87100)

Any District employee authorized under this Policy to make or enter into purchases on behalf of the District will complete a Statement of Economic Interests (Form 700) and comply with the District's Conflict of Interest Code.

Confidential or proprietary information must be handled with due care and proper consideration of ethical and legal ramifications and governmental regulations.

Purchasing activities must be performed in accordance with all applicable laws and District policies.

Any employee/individual who violates the standards set forth in this Section shall be subject to disciplinary action consistent with District personnel policies.

POLICY REVISIONS

This document will be maintained and revised by the CEO with his/her designated representatives in consultation with the District's legal counsel, subject to approval by the Board. Revisions will occur whenever applicable Federal, State, or local regulations change or otherwise as the need arises and in the discretion of the Board.

Policy 2170 | Employment of Contractors

Purpose: To establish requirements for selecting, approving, and using outside contractors and consultants and to ensure services are authorized, budgeted, and obtained based on District need and qualifications.

Key Rules and Guidelines

- The District may engage outside contractors and consultants for approved construction, engineering, planning, environmental, auditing, legal, financial, revenue-cycle, physician, and other professional or business services.
- The CEO may approve contracts for goods or services up to $10,000 per vendor, consultant, or contractor and must report CEO-approved contracts to the Finance Committee.
- Board approval is required for contracts over $10,000, when no budget exists or a budget overage is anticipated, for contracts longer than three years, and for changes to multi-year contracts.
- The CEO/Administrator may approve ongoing, budgeted, regular business services. Non-budgeted or additional special services from an existing contractor require Board approval when the added cost will create a budget overage; vendor changes are reported to the Finance Committee.
- Consultants are selected based on experience and qualifications and must provide a proposed scope of work, estimated hours, and cost estimate. Engineering and architectural consultants are evaluated on qualifications rather than price when required by State law.
- The policy must be reviewed at least every three years and sooner when District operations, contracting practices, law, or governance requirements change.

DEL PUERTO HEALTH CARE DISTRICT
POLICY AND PROCEDURE

SECTION: PERSONNEL
POLICY NUMBER: 2170

EMPLOYMENT OF OUTSIDE CONTRACTORS AND CONSULTANTS	EFFECTIVE DATE
	January 1, 2012

REVIEW DATE: August 2029	REVISION DATE: 2015; August 31, 2026
POLICY SOURCE: California Special Districts Association; District Policy	

Purpose: To establish requirements for selecting, approving, and using outside contractors and consultants and to ensure services are authorized, budgeted, and obtained based on District need and qualifications.

Policy: The District may engage outside contractors and consultants for construction, engineering, planning, environmental review, auditing, legal, financial, revenue cycle management, physician services, and other approved professional or business services. Contracts shall be authorized in accordance with this policy, the approved budget, and applicable law.

Definitions **Outside Contractor/Consultant:** An individual or firm retained by the District to provide goods, professional services, technical expertise, or other specialized services.

Procedure: **Contract Approval**

The CEO may approve a contract for goods or services up to $10,000 per vendor, consultant, or contractor. CEO approved contracts shall be reported to the finance committee.

Board of Directors approval is required for contracts exceeding $10,000, if a budget for the service does not exist or a budget overage is anticipated, for all contracts greater than three-years in length, and for changes to multi-year contracts.

Ongoing Business Services

Engagements for ongoing, budgeted, regular business services may be approved by the CEO/Administrator. Non-budgeted services or additional special services provided by an existing contractor shall be approved by the Board of Directors when the additional cost will result in a budget overage. Any change of vendors shall be reported to the Finance Committee.

Selection of Consultants

Consultants shall be selected by the CEO/Administrator and, when required under this policy, approved by the Board of Directors. Selection shall be based on the consultant's experience and qualifications. The consultant shall provide a proposed scope of work, estimated hours to complete the work, and an applicable cost estimate for use in the selection process. Consultants for engineering and architectural services shall be evaluated based on qualifications rather than the cost of services, as required by state law.

Review & Updates: This policy shall be reviewed at least every three years, and sooner if needed to reflect changes in District operations, contracting practices, applicable law, or Board governance requirements.

Policy 2225 | Electronic Device Replacement

Purpose: To establish an electronic-device and equipment replacement and upgrade policy for the Del Puerto Health Care District to remain compliant with evolving technology requirements, reduce technical-support issues, and improve employees' technical efficiency.

Key Rules and Guidelines

- Replacement cycles are based on purchase date and are intended to prevent aging, obsolete, out-of-warranty, unsupported, or incompatible systems.
- Tablets and cellular phones are replaced on a three-year cycle; computers, including workstations and laptops, are replaced on a five-year cycle; and servers are replaced on a five- to seven-year cycle.
- EMS communications equipment, including handheld and mounted radios, is replaced on a three- to five-year cycle.
- Medical diagnostic equipment, such as defibrillators, EKG machines, spirometry and audiology devices, electronic scales, and otoscopes, is replaced on a three- to seven-year cycle.
- Retired workstations, laptops, and servers must have their hard drives removed and destroyed. Remaining components are recycled, disposed of, or donated in accordance with the District Surplus Policy.
- Retired tablets and cellular phones must have their memory erased and be reset to factory defaults before recycling, disposal, or donation under the Surplus Policy.
- Retired EMS communications and medical diagnostic equipment must have memory erased and be reset to factory defaults before recycling, disposal, or donation under the Surplus Policy.

DEL PUERTO HEALTH CARE DISTRICT	SECTION:	FINANCE
POLICY AND PROCEDURE	POLICY NUMBER:	2225

ELECTRONIC DEVICE REPLACEMENT POLICY	EFFECTIVE DATE
	1/25/2021

REVIEW DATE:	REVISION DATE: August 31, 2026
POLICY SOURCE: California Special Districts Association Best Practice	

Purpose: To establish an electronic devices and equipment replacement and upgrade policy for the Del Puerto Health Care District to stay compliant with evolving technology requirements, reduce technical support issues, and improve employees' technical efficiency.

Policy: It is the District's policy to replace technology-related equipment as follows, based on the equipment's purchase date:

- Tablets and cellular phones will be replaced on a three-year cycle.
- Computers (workstations & laptops) will be replaced on a five-year cycle.
- Servers will be replaced on a five- to seven-year cycle.
- EMS communications equipment (e.g., hand-held and mounted radios) on a three to five-year cycle.
- Medical diagnostic equipment (for example, but not limited to a defibrillator, EKG machine, spirometry, audiology, electronic scale, otoscope) on a three to seven-year cycle.

Procedure: Guidelines and procedures are required to maintain a replacement cycle of District electronic equipment within the useful and expected lifetime of the equipment while preventing a proliferation of aging, obsolete, out-of-warranty, unsupported, and incompatible systems.

CYCLE OF REPLACEMENT

- Workstations, laptops, and servers that have been replaced and are no longer appropriate for continued District use will have their hard drives removed and destroyed. The remaining components will be recycled, disposed of, or donated in accordance with the established District Surplus Policy.

- Tablets and cellular phones will have their memories flashed and reset to factory default settings. The devices will then be recycled, disposed of, or donated in accordance with the established District Surplus Policy.

- EMS communications and medical diagnostic equipment will have their memories erased and be reset to factory default settings. The devices will then be recycled, disposed of, or donated in accordance with the established District Surplus Policy.