



PROCUREMENT PROCEDURES POLICY

The Forest Hills Metropolitan District (the District) adopts the following procurement procedures policy for purchases made by the District Manager, Administrative Assistant, and Operations Contractor. The preferred method of procurement is to discuss an expense at the Board of Directors (the Board) meeting and have approval of the Board prior to authorizing work and/or incurring the expense. However, the District recognizes that some purchases must occur outside of the monthly Board meetings. The framework below is intended to guide staff as to the nature and amount of their procurement limits. Nothing in this policy allows any staff to make purchases other than those required for the District and for the benefit of the District.

The policy covers budgeted items, incidental items, non-budgeted items, emergency items, and large projects. Budgeted items are those expenses that were included as line items in the approved budget for the year (e.g. chemicals, sludge hauling). Incidental items are normal supplies and expenses required as part of running the District (e.g. stamps, light bulbs, envelopes, carcass removal), but may not have a specific line item in the approved budget. Non-budgeted items are typically replacement items for unexpected repairs or improvements, or those items that may otherwise be placed on the repairs and capital improvements list (e.g. chemical metering pumps, air compressor). Emergency items are specifically those instances where public health or environmental concerns warrant immediate action and/or where delay would result in significantly higher costs to the District (e.g. water line break, sanitary sewer overflow). Large projects are those expenses that were initially contracted by the District for a specific scope of work and may require added expenses that were unexpected or cost more than initially approved. This policy does not replace the normal process of contracting large projects.

The table below summarizes the approval amounts for the District Manager, Administrative Assistant, and Operations Contractor for budgeted items, incidental items, non-budgeted items, emergency items, and large projects.

Position	Budgeted Items	Non-budgeted Items	Emergency Items	Large Projects
District Manager	As budgeted	\$3,000	As required, notify Chair	+\$1,000 or +10%
Administrative Assistant	As budgeted	\$250	Notify District Manager	Notify District Manager
Operations Contractor	As budgeted	\$1,000	As required, notify District Manager	Notify District Manager

All expenses will still be invoiced and reviewed by the board at the next board meeting prior to payment. This policy supersedes and replaces previous District procurement procedures policies.