

Orange County Power Authority
Policy Number 002: Delegated Contract Authority Policy

Purpose

It is in the interest of Orange County Power Authority (“Authority”) to establish administrative contracting procedures that facilitate efficient business operations for the Authority.

Policy

1. The Chief Executive Officer (“CEO”) is authorized as follows without prior Board approval:
 - a. To execute contracts of up to \$125,000 for goods and services; provided, however, that all new contracts in excess of \$50,000 shall be reported at the next regular Board meeting. This authorization does not include power supply or wholesale energy services. The Authority shall comply with all legal requirements applicable to the award of the contract, if any.
 - b. To increase the aggregate contract price of Board-approved non-energy contracts by no more than 10% of the original contract price over the life of the contract.
 - c. To delegate signature authority for purchases of goods or services to other Authority senior staff members up to the amount of \$50,000. Such delegation shall be memorialized in a written instrument signed by the CEO and maintained by the Authority.

2. Prior to signing any contracts requiring the expenditure of money, the individual signing shall ensure: (1) that all contract expenses have been budgeted for in the current Authority budget; (2) that adequate funds have been appropriated by the Board; (3) that such funds are unexpended, unencumbered, and sufficient to pay the expenses of the contract, and (4) that the contract has been reviewed and approved as to form and content by the General Counsel or his/her designee.

3. For any contracts, whether Board-approved or executed under delegated authority, the CEO is further authorized to exercise all rights and powers specified under the contract as belonging to the Authority, including, but not limited to, changes in original scope, authorization of subcontractors, amendments (provided that the amendment shall be consistent with the limits in this Policy), assignment, insurance, termination, and to perform other acts related to the delivery of non-energy goods and services under the contract.

Exception: For scope changes to Board-approved contracts, any core programmatic changes of more than 25% of the original scope shall be approved by the Board.