CHAPTER 5

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CHAPTER 5

PURCHASING PROCEDURES

501. General Statement. This chapter establishes the policies and procedures for purchasing supplies, equipment and services by the County, any special district governed by the Board of Supervisors and other local government entities having purchase agreements with the County.

502. Purchasing Division Responsibilities. It is the Purchasing Division's responsibility to evaluate proposed purchases in order to bid or negotiate *Requisitions* and contracts on behalf of the County. The Chief General Services Officer for the General Services Division of the County Administrative Office is also the County's Purchasing Agent, and, as such, has specific responsibilities as addressed in County Ordinance Code, Chapter 2.38. In addition to these duties, the Purchasing Agent is responsible for *salvage or surplus personal property* disposition, vehicle registration and licensing, contracting for telephone and vending machine installation, soliciting *Quotation Requests, Best Value Bids* and negotiating pricing for frequently used *goods* and *services*. The Purchasing Agent also oversees the procedures for specified services, including purchasing or renting all materials, supplies, furnishings, equipment and other personal property for the County, engaging independent contractors to perform various services, and contracting with consultants for special and scientific data and services, provided that it does not conflict with the duty of any County officer. The Purchasing Agent oversees the Purchasing Division function that includes a Senior Chief Administrative Officer Manager, Purchasing Manager, Supervising Buyer and a team of Buyers which act under the direction and authority of the Purchasing Agent. (Rev. 4/19)

503. Definitions. Italicized words within this chapter are defined in this section:

.1 *Shall, must* and *will* mean that the procedure is mandatory.

.2 *Should* mean that the procedure is recommended.

.3 *May* means that the procedure is optional.

.4 *Best Value Bid.* The Formal Bid Type 2 *Best Value Bid* method of procurement incorporates cost, quality and other specified requirements to achieve a resulting award that is fair, efficient, competitive, and meets all the procurement objectives. (Rev. 4/19)

.5 *Bid.* A vendor's formal price offered for items requested on a *Quotation Request*.

.6 *Blanket Purchase Order.* A *Purchase Order* issued to a vendor for items or services for a specified period of time, but not exceeding the end of the current fiscal year, when it is determined to be in the best interest of the County. After its acceptance by the vendor, purchases *may* be made against it periodically as required without calling for new *Purchase Orders* up to the dollar amount of the *Blanket Purchase Order*.

.7 *Change Order.* A written modification to a *Purchase Order* or *Blanket Purchase Order* by the County directing the vendor to change the contract amount, requirements or time.

.8 *Claim for Payment.* The form used by the Auditor-Controller-County Clerk's Office to process payments.

.9 *Competitive Bid Process.* The competitive process used to obtain bids from multiple vendors using a *Quotation Request* containing a written specification in a formal or informal competitive bidding process. The bids received are reviewed against the written specification stated and described in the bid ensuring that each bidder meets each of the specifications. Award is made to the lowest overall bidder whose bid meets all the specifications. *(Rev 11/19)*

.10 *Contractual Services.* Labor and material, or specialized services contracted for a department, except for *professional services* and advertising.

.11 *CUPCCAA. California Uniform Public Construction Cost Accounting Act.* (Rev. 4/19)

.12 *Fast Track Bidding.* The *bid* process used by departments to gather quotations from vendors for one-time purchases of *goods* or *services* under $50,000 and not tied to a *price agreement*.

.13 *Capital Asset.* Any single item costing $5,000 or more, including tax and shipping. These items *must* have a *Capital Asset* account established with the County Administrative Office before submitting a *Requisition*.

.14 *Certified RFP Facilitator.* A certified RFP Facilitator has successfully completed the required RFP Certification course. This course instructs attendees with all the requirements and protocol to write, issue, evaluate and facilitate a County RFP process. (Rev. 9-14)

.15 *Goods.* Also referred to as Personal Property. Items such as, supplies, material, livestock, furnishings, equipment, vehicles and material objects other than real estate or buildings.

.16 *P-Card (Purchasing Card).* A County bank card, similar to a credit card which can be used to purchase *goods* or *services* in accordance with County policy.

.17 *Price Agreement.* An agreement established between a vendor and the County to provide g*oods* or *services* at a competitively awarded price and with specified requirements.

.18 *Professional Services.* The services of attorneys, physicians, architects, engineers, accountants, consultants or other individuals formally certified as a member of a trade association of an organized profession that certifies successful completion of its requirements.

.19 *Public Works Services.* Services for the construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation and repair work of any public structure, building, road or other public improvement of any kind paid for in whole or in part out of public funds. Additional examples of *public works* include projects related to fences, runways, excavations, quarry repairs and alterations, bunkers, tunnels, power lines, conveyors, towers and water tanks (Public Contract code §101).

.20 *Purchase Order.* A legally binding document issued by the Purchasing Division that specifies the *goods* or services ordered from a vendor for an indicated price.

.21 *Purchasing System*. The procurement system used by the County to enter *Requisitions*, process *Requisitions* and for vendors to register and submit quotations online.

.22 *Quotation Request.* The Formal Bid Type 1 document used by the Purchasing Division to solicit competitive bids from vendors. (Rev. 4/19)

.23 *Quote Sheet.* The form used by a department to document vendor quotations when using the *Fast Track Bidding* process.

.24 *Request for Information (RFI).* This is a proposal requested from potential vendors to determine what products and services are potentially available in the marketplace to meet needed requirements. An *RFI* is not an invitation to bid, is not binding on either party and may or may not lead to an *RFP* or *RFQ*. (Rev. 11-13)

.25 *Request for Proposal (RFP).* A document used to solicit proposals for *professional services* over $200,000. (Rev. 3/20)

.26 *Request for Statement of Qualifications (RFSOQ).* A process used to solicit qualified consultants for services requiring a qualifications standard. Examples of this type of service include architects or engineers for public construction projects. This is a competitive process where the most qualified firm or firms are selected and then project scope, schedule and fees are negotiated. (Rev. 9-14)

.27 *Remote Maintenance, Landscaping or Custodial Services.* Maintenance landscaping or custodial services provided at any location, place, facility, building or structure that would require an employee to travel in excess of 48 minutes in a work day.

.28 *Available County Employee Resources.* Any location, place, facility, building, or structure operating as a County department's administrative headquarters. (Rev. 9-14)

.29 *Requisition.* The document submitted by the using department through the *purchasing system* to request a *good* or *service*.

.30 *Salvage or Surplus Property.* Personal property and material that is no longer useful to the County department.

.31 *Services.* In this manual, services shall refer to all services other than public works or *professional* services. These are services offered by individuals without such generally recognized specialized knowledge whose primary product is labor. Examples of this type of service are auto repair, office equipment repair, pest control, printing and towing.

.32 *Sole Source Acquisition (Exception to Bid).* When in the best interest of the County, a procurement process in which a *good* or *service* is procured from a single source without competition. A sole source situation exists when only one brand will meet the requirements and there's only one source of supply for that brand.

504. Requisitions. Requisitions are the documents submitted by the requesting department through the *purchasing system* to request a *good* or *service* from a vendor. It is the department's responsibility to ensure funding is available and that *the expense key has been established prior to submitting the requisition*. Before a *Purchase Order* can be issued from a requisition, any accompanying vendor terms and conditions or agreements *must* be reviewed and approved through County Counsel and any required insurance obligations *must* be satisfied.

505. Vendor Terms and Conditions. It is the responsibility of the requisitioning department to identify any accompanying vendor terms and conditions or vendor purchase agreements and have these documents reviewed by County Counsel prior to the issuance of a *Purchase Order* or performing a *P-Card* transaction. The Purchasing Agent *may* execute the agreement upon approval as to form by County Counsel. For

software license agreements, refer to section 540 and Exhibit A of this manual to determine if the "I Agree" policy is an option. The Purchasing Division *will* work with County Counsel in obtaining approval of vendor terms and conditions for all *price agreements* and when conducting a competitive bid process; however, if County Counsel cannot approve the terms and conditions, it is the responsibility of the requesting department to submit the documents to the Board of Supervisors for approval stating the terms County Counsel finds unacceptable and request the Board approve the terms and conditions as presented. Refer to Section 530 for specific terms and conditions that Counsel cannot approve. (Rev. 09/19)

506. Insurance Requirements. Vendors are required to carry insurance in the amounts and coverages established by the County Risk Manager. The Standard Insurance Provision states the minimum coverages and dollar amounts required by the County. The Risk Manager also has the authority to approve variances of coverages and dollar amounts when deemed appropriate. The department *shall* not begin *services* until the vendor's insurance certificate and any endorsements have been reviewed and conform to County requirements. The updated *Insurance Responsibility Matrix* found on CountyNet contains each department's responsibility for requesting and verifying insurance from vendors for the various types of contracts. (Rev. 4/19)

507. Capital Asset. Any single item, or *good*, costing $5,000 or more, including tax and shipping, *must* have a *Capital Asset* account established with the County Administrative Office before submitting a *requisition*. *Capital Assets* cannot be purchased with a *P-Card*.

508. Purchase of Goods and Services. The one-time purchase of *goods* or *services* costing $5,000 or more requires a competitive bid process unless the purchase is already tied to a *price agreement*. The competitive process for items between $5,000 and $50,000 *will* be performed by the requesting department using the *Fast Track Bidding* process. For purchases over $50,000, the Purchasing Division *will* conduct the bid process and the requesting department *will* provide the specifications. The department is encouraged to utilize *P-Card*s whenever possible but *must* comply with County policy and procedures when doing so (see section 519). (Rev. 4/19)

Multiple low-dollar purchases of *goods* or *services* from a single vendor not exceeding $50,000 per fiscal year are considered low-cost and do not require a bid. However, any one transaction of $5,000 or more is not considered low-cost and that transaction *will* require a competitive process as described above. The department is encouraged to use *P-Cards* for these low-dollar purchases but *must* track these purchases not to exceed $50,000 from a single vendor in one fiscal year (see section 519). If the department anticipates these purchases to exceed $50,000 in one fiscal year, the department *shall* submit specifications to the Purchasing Division to conduct a bid process. Departments *shall* use vendors with an established *price agreement* whenever possible for these multiple purchases. (Rev. 4/19)

The purchase of any one-time service over $200,000 or multiple services cumulatively totaling more than $200,000 in a single fiscal year, regardless of the type of service or whether it has been competitively bid, requires the department to seek the Board of Supervisor's approval. (Rev. 3/20)

.1 Sole Source Acquisition (Exception to Bid) for Goods and Services. If the competitive process cannot be used to procure *goods* or *services* or the department feels that such a process would not be appropriate or in the County's best interest, a *sole source acquisition will* be performed. The Purchasing Agent has the authority to approve sole *source acquisitions* up to $50,000 for a single item or *service*, $200,000 per acquisition of multiple items of which no one item is over $50,000 and *Blanket Purchase Orders* up to $200,000. The Purchasing Agent shall approve *sole source* p-card purchases **prior** to the purchase being made. The Board of Supervisors *must* approve any *sole source acquisition* exceeding these limits. (Rev. 3/20)

.2 Standardization of Goods. If required for the health, safety or welfare of the people or employees of the County, or if significant cost savings can be demonstrated, a department *may* request approval from the Board of Supervisors for the *standardization* of a specific item or items, limiting the purchases to a single brand or trade name. Factors that *may* be considered in determining standardization include, but are not limited to:

- Repair and maintenance costs would be reduced
- User personnel training would be minimized
- The amount of supplies or spare parts required would be reduced
- Modifications to existing equipment would not be necessary, or would be minimized
- Training or repair and maintenance personnel would be minimized
- Matching existing supplies, materials or equipment is required for proper operation of a function or program

Any such request for standardization *shall* state whether the Purchasing Agent concurs with the request. Bidding among distributors for the single brand or trade name *shall* be required to the extent possible. The request *must* be taken to the Board of Supervisors every five (5) years for re-evaluation of the factors supporting the standardization and authorization for the department to continue to use standardization. (Rev. 4/19)

509. Public Works Services (Construction and Repair). In general a *public works* agreement is an agreement for the construction, reconstruction, erection, alteration, renovation, improvement, demolition, installation and repair work of any public structure, building, road or other public improvement of any kind paid for in whole or in part out of public funds. (Public Contract code §101). Bonds are generally required on any public works project of $25,000 or more.

The Board of Supervisors adopted the California Uniform Public Construction and Cost Accounting Act (CUPCCAA) on December 3, 2013. The provisions of the Act apply countywide and are generally governed by Public Contract Code §22000 - §22045. The Act allows for the following:

- Public works projects of $75,000 or less, or the current amount as defined in the Act in Public Contract Code §22000 - §22045, may be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order. (Rev. 01/25)
- A department may execute a public works projects with any qualified vendor up to $75,000, or the current amount as defined in the Act in Public Contract Code §22000 - §22045, without the need for advertising or bidding. It is prohibited to split a project into two or more smaller projects of lesser dollar amounts to avoid complying with bidding requirements. (Rev. 01/25)
- Public works projects of $220,000 or less, or the current amount as defined in the Act in Public Contract Code §22000 - §22045, may be awarded using the informal bidding procedures set forth in the Act. These projects do not require Board approved plans and specifications; however, the department may seek Board approval prior to inviting bids on a project if preferred. (Rev. 01/25)
- Public works projects of more than $220,000, or the current amount as defined in the Act in Public Contract Code §22000 - §22045, must be awarded using formal bidding procedures. (Rev. 01/25)

The County must comply with one of the following to satisfy the Act's requirements regarding informal bidding:

The County shall maintain a list of qualified contractors, identified according to categories of work. All contractors on the list for the category of work being bid shall be mailed, faxed, or emailed a notice inviting

informal bids unless the product or service is proprietary. All mailing of notices to contractors shall be completed not less than 10 calendar days before bids are due.

The public agency shall mail, fax, or email a notice inviting informal bids to contraction trade journals specified below:

1. Construction Bidboard (Ebidboard) 11622 El Camino Real, #100 San Diego, CA 92130; Phone: 800-479-5314; Email: support@ebidboard.com; website: www.ebidboard.com
2. Dodge Data & Analytics 830 Third Avenue, 6th Floor New York, NY 10022; phone: 877-784-9556; email: support@construction.com; website: www.construction.com

The public agency shall mail, fax, or email a notice inviting informal bids to two additional construction trade journals specified below:

1. Central California Builders Exchange 1244 N. Mariposa Street Fresno, CA 93709; Phone: (559)237-1831; Email: info@cencalbx.com; Website: hppt://cencalbx.com/
2. Tulare and Kings Counties Builders Exchange 827 W. Center Avenue Visalia, CA 93291; Phone: (559) 732-4568; Email: info@info@tkcbe.com; Website: www.tkcbe.com
3. Kern County Builders' Exchange, Inc. 4310 Ardmore Avenue, Ste. 100 Bakersfield, CA 93309; Phone: (661) 324-4921; Email: kcbex@kcbex.com; Website: www.kcbex.com
4. San Luis Obispo County Builders Exchange 153 Cross Street, #130 San Luis Obispo, CA 93401; Phone: (805) 543-7330; Email: info@slocbe.com; Website: www.slocbe.com
5. BidAmerica 41085 Elm Street Murrieta, CA 92562; Phone: (951) 677-4819; Email: planroom@bidamerica.com; Website: www.BidAmerica.com (Rev. 01/25)

It is a misdemeanor to split the project into two or more smaller projects of lesser dollar amounts to avoid complying with these requirements.

.1 Emergency Public Works / Construction Projects. An emergency situation exists when a sudden unexpected incident poses a clear and imminent threat to public health, safety, property, and/or essential public services. The affected department *shall* contact the Purchasing Agent and County Counsel for concurrence that an emergency situation exists. The Purchasing Agent *shall* be contacted for concurrence, regardless of whether the situation occurs during regular business hours or not. Once the department receives concurrence from both, the department *shall* take appropriate action and make any purchase of *goods* and/or *services* deemed necessary to mitigate the emergency. If the aggregate cost of an emergency public works project exceeds $60,000, or the current amount as defined in the Act, where the total project costs would require a bid process, the normal bidding process may be waived in accordance with the provisions of Public Contract Code section 20134 and 22050. In such situations, the contractor shall be notified that adequate performance and payment bonds will be required and their quoted price must reflect the restrictions set forth in Public Contract Code 20134(a) and 22050. (Rev. 4/19)

If the normal bidding process has been waived, an initial report of the waiver and the emergency must be made to the Board by the department so authorized at the next regular Board meeting and every 14 days thereafter until the emergency condition is terminated. At the conclusion of each report, the Board must determine by a 4/5ths vote that the emergency condition still exists. (Rev. 4/19)

The Purchasing Division *will* complete any required emergency documentation that will be supplied to the state.

510. Professional Services. *Professional services* are technical or unique functions performed by independent contractors or consultants who specialize in the services required. While not limited to

individuals holding professional licenses, the services are considered professional and the contract *may* run to partnerships, firms, or corporations as well as to individuals. Examples of *professional services* are those services performed by architects, attorneys, dentists, engineers, foresters, graphic designers, physicians and professors. There are several Counsel-approved boilerplate agreements available for departments to use when contracting for *professional services*. The Board of Supervisors has authorized the Purchasing Agent to execute the following agreements up to the indicated dollar amounts (Rev. 3/20):

- Technical Development Service Agreement (TDSA) – up to $200,000
- Speaker / Trainer Service Agreement (STSA) – up to $20,000 (Rev. 4/19)
- Personal / Professional Service Agreement (PPSA) – up to $200,000
- Personal / Professional Service Agreement (PPSA) – with Work Authorization Form – up to $200,000
- Engineering Service Agreement (ESA) – up to $200,000

The department *shall* work with the vendor in developing the scope of work and *shall* modify the Schedule as necessary. However, the terms and conditions *may* only be altered as approved by County Counsel. County Counsel *may* only approve slight variations to the standard contract terms as necessary to apply the general terms and conditions in the Standard forms to the specific needs of a particular transaction. If the consultant does not wish to agree to the boilerplate terms and conditions as presented, or as modified by County Counsel, the department *must* work with the consultant to establish a mutually acceptable contract. County Counsel *shall* assess the terms of the contract under Section 530. If County Counsel approves the contract as to form, the contract *may* be submitted for approval by the Board of Supervisors as a consent agenda item. If County Counsel does not approve the contract as to form, the contract *must* be submitted for approval by the Board of Supervisors as a non-consent agenda item. (Rev. 4/19)

In addition to the required signatures of the consultant, Department Representative, County Counsel and the Purchasing Manager, the Chief Information Technology Officer within the ITS Department *will* review all technology-related agreements for bandwidth impacts, firewall modifications, interaction with other existing systems, security, servers, software development and support services. If the agreement is $50,000 or more, the Chief Information Technology Officer's signature is required prior to the Purchasing Manager, who always signs last. If the agreement is under $50,000, the Chief Information Technology Officer *will* review, but his/her signature is not required. (Rev. 4/19)

Department *will* **not** begin services with the consultant until a certificate of insurance and separate endorsement in the amount and coverages required is obtained and the Purchasing Agent has signed and dated the agreement, or the agreement *will* be considered retroactive. Retroactive agreements for *professional services* can be approved by the Purchasing Agent up to $50,000 when it can be justified to the Purchasing Agent that the required service was necessary prior to obtaining all the appropriate signatures or it *shall* require separate Board of Supervisor's approval and *will* not be signed by the Purchasing Agent. Any retroactive professional service agreement over $50,000 requires Board of Supervisor's approval and execution by the Chairman. (Rev. 4/19)

Professional service agreements utilizing these boilerplates *may* be established for a term agreed upon by all parties but *may* not exceed the Purchasing Agent's authority of $200,000. (Rev. 3/20)

The consultant *must* maintain insurance coverages in the required amounts stated in the Schedule throughout the term of the agreement. Department *shall* **not** begin services with the consultant until these coverages are reviewed and conform to County requirements. If the insurance policy will expire before the services have been completed by the consultant, it is the responsibility of the department to ensure the consultant renews the insurance policy before it lapses.

Department *shall* not break any project into segments in order to avoid issuing the contract by means of a competitive process. If evidence of such activity is present, the Purchasing Agent cannot sign the agreement and the department *will* be required to seek Board of Supervisors' approval.

Department *may* establish multiple professional service agreements with the same vendor; however, each agreement *must* be established for a separate project with a different scope of work.
If professional services are required and included as part of a larger competitively bid contract (for example training or programming of a device) and the professional service is clearly described in the scope of the signed agreement, a separate PPSA/TDSA/STSA is not required. (Rev. 4/19)

.*1 TDSA - Technical Development Service Agreement.* This agreement has been specifically drafted for the hiring of consultants providing computer technology/automation *professional services* and is to be used when the department has only a general idea of the service that is required of the consultant. Consultant works at an hourly rate until the specific service is identified and then completes the service required under the Work Authorization Form. The TDSA is intended to be used for independent contractors only and *may* not be used to hire contract employees.

The total amount which *may* be expended under this agreement signed by the Purchasing Agent *may* not exceed $200,000, including expenses. Any TDSA exceeding $50,000 requires a competitive award process as described in section 510.5 of this manual. (Rev. 3/20)

.2 STSA – Speaker / Trainer Service Agreement. This agreement is used when the department desires to hire a consultant to speak on a specific topic or provide specified training services and the total dollar amount of the agreement does not exceed $20,000. The basic difference between the STSA and the PPSA is that insurance is not required of the consultant under the STSA. (Rev. 4/19)

A single agreement *may* be used to cover multiple engagements with the same consultant; however, the total cost *shall* not exceed $20,000, including fees and expenses for the entire agreement period. If the amount of the anticipated fees and expenses will be greater than $20,000 or insurance is deemed necessary by County Counsel, the department *shall* use the PPSA as described in section 510.4 of this manual. No competitive process is required to select a qualified consultant under the STSA. (Rev. 4/19)

.3 ESA – Engineering Service Agreement. This agreement has been specifically drafted for the hiring of consultants providing design services, testing and inspection services specific to construction projects.

The department *may* submit an ESA to the Purchasing Agent for approval in an amount not to exceed $200,000 per project for any contractor agreeing to the terms and conditions of the ESA without conducting a formal competitive process. The award of the project defined under the ESA *shall* be based on the availability of the contractor to perform the project within the specified time frame and the qualifications of the contractor for the specific project as determined by the Purchasing Agent. For agreements exceeding $200,000, the department *shall* obtain approval and signature from the Board of Supervisors. (Rev. 3/20)

The agreement *may* be executed to span the entire period of the awarded project.

.*4 PPSA – Personal / Professional Service Agreement.* This agreement can be used for most types of *professional services*. It is used when the department has a specific project or predetermined specific services for a consultant to perform, either for a fixed fee or at an hourly rate not exceeding a specified amount. It is intended to be used for independent contractors and *may* not be used for contract employees. The total amount which *may* be expended under this agreement signed by the Purchasing Agent *may* not

exceed $200,000, including expenses. Any PPSA exceeding $50,000 requires a competitive award process as described in section 510.5 of this manual. (Rev. 3/20)

If the specific services to be provided at the time the agreement is executed have not been determined and the services do not involve computer technology/automation, the department *shall* use the PPSA-With Work Authorization Form. The PPSA-With Work Authorization Form allows the department to use the consultant's services on an "as needed" basis. When the department determines the scope of services required, a Work Authorization Form *must* be completed detailing the services to be provided and the cost of the services based on the hourly rate(s) indicated in the agreement. If the specific services have not been determined at the time the agreement is executed and computer technology/automation is involved, the department *shall* use the TDSA boilerplate. See section 510.1 of this manual for more detail on the TDSA boilerplate.

.5 Dollar Thresholds and Required Competition for Professional Services:

a. Professional Services up to $50,000. Agreements up to $50,000 do not require competitive bidding and the requesting department *may* select a qualified vendor to provide the services. (Rev. 4/19)

b. Professional Services $50,000.01 - $200,000. Agreements over $50,000 but not exceeding $200,000 require the department perform a competitive process among qualified consultants to make an award. The Purchasing Division *must* review and approve the process proposed by the department prior to the department's issuance of the opportunity to the potential consultants. If a competitive process cannot be performed or the department finds that such a process would not be in the County's best interest, the department *may* submit written justification to the Purchasing Agent requesting concurrence that an exception to the competitive process be made. With the Purchasing Agent's concurrence, the department *may* enter into the agreement without a competitive process and the Purchasing Agent *may* execute the agreement on behalf of the County. (Rev. 3-20)

c. Professional Services over $200,000 – RFP. For *professional services* over $200,000, the department *must* perform a *Request for Proposal (RFP)* process to establish a contract with the consultant. An RFP may also be performed for any service needed by the department that would benefit from use of best value evaluation criteria. Refer to section 511 of this manual for more information on the *RFP* process. (Rev. 3/20)

State or Federal funding agencies may require other specialized procurement procedures that must be integrated into the County's procedures. When the funding agency requires a significant deviation from the County's procedure, it is the requesting department's responsibility to properly and adequately notify the County Administrative Office and other affected departments.

511. Request for Proposal (RFP). Professional service contracts over $200,000 are established by means of a *Request for Proposal* (*RFP*) process and require the Board of Supervisor's approval. (Rev. 3/20)

Department *shall* use the approved *RFP* template, available on CountyNet, and *shall* only modify the template within the areas clearly identified to describe the scope of work, requirements of the *professional services* being requested, and the evaluation criteria. The *RFP must* be reviewed for legal form, insurance requirements and other items deemed necessary by County Counsel. The Purchasing Agent and County Administrative Office *may* review the *RFP* for general compliance with County procedures and policies, but this review does not diminish the department's responsibility for issuance, adequacy and compliance with policies and legal requirements. The County Administrative Office *must* approve the funding for the

anticipated *RFP* and the Technology Services Division Chief within the ITS Department *will* review all technology-related agreements for bandwidth impacts, firewall modifications, interaction with other existing systems, security, servers, software development and support services.

The department *shall* appoint a Certified RFP facilitator(s) for the *RFP* who has satisfactorily certified as an RFP Facilitator through the Request for Proposal (RFP) Certification Program training required by the Purchasing Agent.

The RFP Certification program is a comprehensive training academy that instructs participants in every aspect of the Request for Proposal (RFP), Request for Statement of Qualifications (RFSOQ), Request for Information (RFI) and Request for Application (RFA) processes. This course instructs attendees with all the requirements and protocol to write, issue, evaluate and facilitate any of the County RFP, RFSOQ, RFI or RFA processes. The training academy includes 24 hours of instructor lead training; additional hours of time spent on written assignments, research and evaluation; written practical test and group participation. (Rev. 4/19)

Each participant is recommended by their department head or designee to attend the class and achieve certification. The certification is valid for a 5-year period with a refresher course in the 5th year. (Rev. 4/19)

Once County Counsel has approved the *RFP* for distribution, the department *shall* electronically upload the *RFP* on the RFP Notification Form found on CountyNet which will place the *RFP* on the County's website and where it *shall* remain for a recommended 30 days unless the department has an urgent need for the service which would not allow the *RFP* posting to run the full 30 days. If justified, the Purchasing Division *will* grant approval of the reduced posting period. Vendors may download the *RFP* from the website after providing their contact information. In addition to the *RFP* notification on the County's website, the department *shall* also make every reasonable effort to ensure that all known vendors, local and non-local, are aware of and have an opportunity to respond to the *RFP*.

The department *shall* not accept or consider any proposal that was received after the date and time of closing. The department *shall* return such a response to the proposer unopened. No participant on the evaluation committee shall have a conflict of interest with any of the proposers, and all members *must* sign the 'Evaluation/Review Committee Member Acknowledgment" form prior to proposal review.

The evaluation committee makes one written recommendation of award to the department head determined by the results of the combined scoring of all evaluation criteria. Local vendors *shall* be given a local vendor preference and Local Employee Ratio in the *RFP* scoring. If one or more of the proposers is a local vendor as defined in section 531 of this manual, these proposers *shall* be entitled to a local vendor preference provided they achieved a score of at least 70 percent of all points possible during the initial scoring phase by the evaluation committee and they were included in the short list of proposers for further consideration by the committee, if the committee elected to create a short list of finalists. These local vendors *shall* have their final evaluation score increased by 5% .

All local vendors with a Local Employee Ratio of 50% or higher will receive an additional 2% score increase, and those with a ratio of 100% will receive a 3% increase to their score. *(Rev. 11/19)*

The department *shall* submit a recommendation of award to the Board of Supervisors. If approved, the Chairman *will* sign the contract and the services with the awarded proposer may begin.

Contracts established by means of the *RFP* process can reasonably extend over a five-year term due to the thorough and diligent actions used in this open, fair and competitive process. The department *should* work

with Counsel to make the final determination as to the term of the contract based on the length of time the service is needed by the department, the future availability of other qualified providers and if the fees to perform these services are anticipated to increase or decrease over time.

.1 RFP Sole Source Approval. If an *RFP* process cannot be performed or the department finds that such a process would not be appropriate or in the County's best interest, the department *shall* seek *sole source* approval by the Board of Supervisors. The department *shall* complete the Sole Source Board Letter-Documentation of Research form and submit it along with a copy of the Board letter to the Purchasing Division 10 days prior to the anticipated agenda date for concurrence that a *sole source* situation exists.

.2 RFP Exemptions. If a department feels it is appropriate for a particular service to be categorically exempt from all or part of the *RFP* process, the department *shall* request the Board of Supervisor's approval to dispense with the *RFP* process. The department *shall* state in the Board letter the reasons justifying the exemption and, if approved by the Board, the exemption from an *RFP* process for this specific service will remain in effect through the remainder of the fiscal year. The department *must* seek Board approval of this exemption each fiscal year that contracts for these specific services will be established. (Rev. 11-13)

Each time the department brings a contract before the Board for approval citing this exemption, the department *must* categorize this contract as "Sole Source" in the header of the Board letter and *must* state in the Board letter the date on which the Board granted the exemption. The department *shall* forward the Board letter to the Purchasing Division for concurrence at least 10 days prior to the anticipated agenda date but is **not** required to complete the "Sole Source Board Letter-Documentation of Research" form. The Purchasing Division requires the letter simply to add the agreement to the list of *sole source* Board requests that are reviewed by the County Administrative Office during agenda review. (Rev. 11-13)

512. Request for Statement of Qualification (RFSOQ). An *RFSOQ* is a process used to solicit qualified consultants for services requiring a qualifications standard. Examples of this type of service include architects or engineers for public construction projects. *RFSOQs should* not be used in order to simply save time or shortcut the normal *RFP* process except in certain limited situations, and such use *must* be approved in advance by County Counsel. After the department completes the *RFSOQ*, and selects the most qualified firm, the department *will* negotiate project scope, schedule, and fees. The department *should* contact County Counsel if further clarification is needed. *RFSOQs should* be posted on the County's website and are uploaded to the website the same way *RFPs* are uploaded. (Rev. 4/19)

513. Request for Information (*RFI*). This is a proposal requested from potential vendors to determine what products and services are potentially available in the marketplace to help the department find a solution for needs that are not clearly defined. An *RFI* is not an invitation to bid, is not binding on either party and may or may not lead to an *RFP* or *RFQ*. The *RFI will* indicate that the request is for informational purposes only and may not lead to an award. (Rev. 11-13)

.1 Request for Applications (RFA). This is a proposal requested from potential applicants who wish to apply for funding that is available for a grant. This process allows researchers and other organizations to present a proposal on how the funding could be used. The RFA will typically outline what types of programs are eligible, what the expectations are and how applications are submitted and reviewed. (Rev. 4/19)

514. Price Agreements. The Purchasing Division competitively bids and negotiates price agreements for standard commodities and *services* that are routinely required by departments. A price agreement is established to capture total countywide usage on *goods* and *services* and attempts to provide the best price available which meets the departments' defined specifications. Departments can typically find suppliers that will offer lower prices than listed on our price agreements if they search, but the overall savings on price agreements are based on averages across product lines that represent total County purchases. Also, awarded vendors of price agreements conform to any County insurance requirements and other imposed requirements which may add cost to any vendor's original quote. The intent of price agreements is to provide quick access to common *goods* and *services* at competitive prices without the need to do extensive searching by the department, which consumes valuable labor hours and ultimately adds to the overall purchase cost. Departments *shall* use these price agreements unless they have provided a detailed justification to the Purchasing Agent specifying why a particular agreement will not meet the department's needs. The Purchasing Agent *shall* review the justification for concurrence.

.1 Business Associate Agreements (BAA). Health and Medical Departments who wish to utilize a County Price Agreement may have purchasing incorporate a signed BAA with the Price Agreement vendor if required by their Counsel. The inclusion of a BAA will provide the Health and Medical departments with required medical confidentiality protocol when providing services for these departments. The department will contact County Counsel for assistance in preparing the BAA. Once the BAA has been signed by the vendor and the department head, a copy will be forwarded to Purchasing where the price agreement will be amended to incorporate the BAA. (Rev. 9-14)

515. Purchase Orders. A legally binding document issued by the Purchasing Division that specifies the *goods* or *services* ordered from a vendor for an indicated price. *Purchase Orders* are issued for one-time purchases and also for blanket requests when a department will be making purchases periodically against it throughout the fiscal year. *Purchase Orders* are prepared and processed by the Purchasing Division based on the information provided on the *Requisitions* and other attached documentation submitted by departments through the *purchasing system*. If a vendor agreement of any type is required by the vendor, it is the requisitioning department's responsibility to have the agreement reviewed by County Counsel unless the Purchasing Division will be performing a *competitive bid process* for the purchase. In this situation, the Purchasing Division *will* work with County Counsel in the review.

County *Purchase Orders* contain County Counsel approved terms and conditions. By acting upon a *Purchase Order*, the vendor has agreed to abide by the stated terms and conditions unless the vendor has indicated prior to accepting the *Purchase Order* of any exception and County Counsel has approved of this exception and it is clearly noted in the *Purchase Order*.

The Purchasing Division transmits the completed *Purchase Order* to the Auditor-Controller-County Clerk for encumbrance against the department's budget. After the *Purchase Order* is encumbered, it is transmitted to the vendor. Departments are to compare the listed *goods* or *services* on the *Purchase Order* with the original *Requisition* to verify that the correct *goods* or *services* have been solicited. Departments may view and print a copy of the *Purchase Order* via the *purchasing system*.

.1 Payments Against Purchase Orders. Vendors *will* be instructed to submit invoices directly to the requisitioning department for verification of correct pricing and delivery.

a. *Partial Delivery.* If a vendor makes a partial delivery of items or *services*, partial payment against the *Purchase Order* may be made.

b. Bulk Items. Bulk item shipments, such as sand, rock, road oil and printed forms, can exceed the ordered quantity on a one-time *Purchase Order* by up to 10% without requiring special approval

by the Purchasing Division. The actual quantity accepted *should* be noted on the department's copy of the *Purchase Order*. When the quantity accepted exceeds 10% of the quantity ordered, the department *must* submit a request to increase the encumbrance amount via the Auditor-Controller-County Clerk's online encumbrance system which will initiate a *Change Order*.

c. Freight Payments. The Auditor-Controller-County Clerk may initiate freight payment up to $100.00 against *Purchase Orders* indicating a shipping point of FOB-Origin without obtaining prior approval from the department if sufficient funds are available. (Rev. 4/19)

516. Blanket Purchase Orders. A *Blanket Purchase Order* is a purchase order issued to a vendor for routine *goods* or *services* when it is anticipated that multiple purchases will be made with that vendor over a specified period of time; however, the *Blanket Purchase Order* cannot extend beyond the end of the current fiscal year. After its acceptance by the vendor, purchases may be made against it periodically as required without calling for new *Purchase Orders*. (Rev. 4/19)

The Purchasing Division transmits the completed *Blanket Purchase Order* to the Auditor-Controller-County Clerk for encumbrance against the department's budget. After the *Blanket Purchase Order* is encumbered, it is transmitted to the vendor. Departments may view and print a copy of the *Blanket Purchase Order* via the *purchasing system* and begin making purchases with that vendor.

.1 Blanket Purchases Not Tied to a Price Agreement. The department *shall* make every effort to use the County's *P-Card* in place of *Blanket Purchase Orders* for annual purchases of *goods* or *services* that will not exceed $50,000 in one fiscal year and when the purchases are not tied to a *price agreement.* See section 519 of this manual for more detail on *P-Cards*. Transactions of $5,000 or more require a bid process if not tied to a *price agreement*. If a department wishes to use a *Blanket Purchase Order* for *goods* or *services* with a sole source vendor up to $200,000, they *must* submit a sole source justification with their *Requisition* and Purchasing *will* review and approve. If *services* on a sole source *Blanket Purchase Order* exceeds $200,000, the Board of Supervisors approval *must* be obtained. See Section 508 for a further explanation of sole source purchasing policy and procedures. (Rev. 3/20)

.2 Blanket Purchases Tied to a Price Agreement. The department *shall* make every effort to use the County's *P-Card* in place of a *Blanket Purchase Order* for purchases of *goods* or *services* that are tied to a *price agreement* if the vendor will agree to abide by the terms and pricing of the established *price agreement* when using the card. See section 519 of this manual for more detail on *P-Cards*. Multiple purchases can be made from a vendor with an active *Price Agreement* in place with no dollar restrictions per transaction up to the limit of the *Blanket Purchase Order*; however, a single item costing $5,000 or more *will* require a *capital asset* account to be established and the purchase of this item *must* be on a separate *Purchase Order.* Certain contractor *services*, such as electrical and HVAC services, require a bid when the estimate of the *services* exceeds the current amount as defined in the CUPCCA Act – Public Contract Code §22000 - §22045, even though the vendor has an established *Price Agreement*. If it applies, this restriction *will* be stated in the *Price Agreement* under the Scope of Work: Requirements and Limitations section. (Rev. 4/19)

.3 Payments Against Blanket Purchase Orders. Requests for payment of invoices for *goods* or *services* received under a *Blanket Purchase Order* are transmitted on a *Claim for Payment*. The department is to verify the purchases as accurate, list the invoices on the *Claim for Payment* in numerical order, and attach the invoices as listed. Once signed by an authorized departmental representative, the claim *should* be forwarded to the Auditor-Controller-County Clerk for processing.

The County will not be liable for the payment of any purchases that are above the amount established on the *Blanket Purchase Order.* Therefore, departments *shall* not make purchases that will exceed the dollar amount stated on the *Blanket Purchase Order*.

517. Change Orders. A change order is a written modification to a *Purchase Order* or *Blanket Purchase Order* by the County directing the vendor to change the contract amount, requirements or time.

Increases or decreases to a Purchase Order require review and issuance of a change order by the Purchasing Division before the vendor may proceed. The requested change order must be a written request to change the amount, requirements or time constraints of the Purchase Order. The changes proposed must be within the general scope of work contained in the original Purchase Order.

Increases to *Blanket Purchase Orders* require review by the Purchasing Division before the department may make a purchase that exceeds the original dollar amount on the *Blanket Purchase Order*. The new total dollar amount may move the purchase into a new category that would require a competitive process, *sole source* documentation or Board approval. Changes to the specifications, locations of services, or other terms not related to the dollar amount, also require review by the Purchasing Division. Once approved, a *Change Order will* be generated notifying the vendor of the changes to the *Blanket Purchase Order*.

All *Blanket Purchase Order* cancellations *should* be entered in the Auditor-Controller-County Clerk's online encumbrance system, which will automatically forward the request for cancellation.

518. Purchasing Cards (P-Cards). The objective of using the County's *P-Card* program is to streamline small dollar purchases, reduce overhead costs and time delays in processing one-time *Purchase Orders* and *Blanket Purchase Orders*, and their associated *Change Orders*, and to reduce the printing and distribution of *Purchase Order* documents and warrant payments to suppliers.

Except as prohibited by Section 519.4-5 and as encouraged in identified categories within sections 508 and 517 of this manual, a *P-Card* may be used to make authorized purchases at any establishment that accepts credit cards. The merchant is responsible for obtaining authorization for the transaction. Those transactions exceeding the single, daily or monthly transaction limit or are for non-qualified purchases will be declined.

Department heads are ultimately responsible for the proper use of *P-Cards* issued to employees and for ensuring compliance with the policies and procedures described in this section, and they *will* assume all financial responsibility for misuse of the *P-Card*. Because the *P-Card* represents public funds, cardholders *must* be continually reminded that their purchases represent the County's interests and reputation for ethical and prudent business dealings. Each transaction is a matter of public record accessible to scrutiny from all members of the public and the media. As written policies cannot be established to cover every eventuality of *P-Card* use, all department heads and cardholders *must* use their best judgment when expending public funds and *should* contact the Purchasing Division prior to using the *P-Card* for the purchase if they are uncertain whether the *P-Card* is a viable option.

As all County procurement is conducted through competition to the maximum possible extent, *P-Card* purchases *shall* adhere to the following:

- Cardholders are encouraged to obtain more than one quote whenever possible, regardless of the dollar amount, unless the purchase is placed against an existing *Price Agreement*.
- Cardholders *shall* follow the *Fast Track Bidding* process for each purchase over $4,999 not tied to a *Price Agreement*. For auditing purposes, the cardholder *shall* keep an electronic record of all supplier written quotes by attaching copies of advertisements, a screen print or advertised price from an internet site, or other images containing price quotes to the transaction in the AuditorNet

Purchasing Card application. No additional quotes are required if the purchase is placed against an existing *Price Agreement.* (Rev.9/14)

- *Sole Source Justification. If* the commodity is proprietary or sole source in nature a sole source justification shall be prepared for review/approval by Purchasing prior to purchase and attached to the transaction. (Rev.9/14*)*
- No single item (capital asset) may be procured over $4,999, including tax and shipping. (Rev.9/14)
- Departments *shall* notify the Purchasing Division if repetitive purchases for a *good* or *service* may exceed $50,000 department-wide from the same supplier in one fiscal year. The Purchasing Division *will* review the *good* or *service* for a possible competitive process and establishment of a *Price Agreement*. (Rev.9/14)
- The Purchasing Division *will* regularly review department and countywide *P-Card* spending patterns to identify the purchase of repetitive *goods* and *services* that should be competitively bid.

.*1 Price Agreement Purchases Utilizing P-Card.* If there is an existing *Price Agreement* for the needed *good* or *service*, use of the *P-Card* as a payment vehicle against the *Price Agreement* is encouraged and authorized if: 1) the transaction total is under the transaction limit, 2) no single item exceeds $4,999 including tax and shipping. (Rev. 9-14)

.2 Use of P-Card for Services. The *P-Card* cannot be used for *professional services. The P-Card* can be used for *public works/construction* projects and *services* which fall under the transaction limit of the *P-Card*; however, all County policies related to these types of services *must* be followed. Refer to sections 508 and 509 of this manual for more information.

Before a cardholder uses the *P-Card* to pay for a service that is not already tied to a *Price Agreement*, the cardholder *must* verify that any required insurance is established with the correct coverages and dollar limitations before the vendor begins the service. For those *services* which require a contractor's license, the cardholder *shall* verify the license as current and in the correct classification and that prevailing wage has been quoted on labor estimated at $1,000 or more.

3. *Use of P-Card for Travel. The P-Card can be used for the following travel related charges:*

- Hotel/lodging accommodations
- Transportation expenses, such as: car rental, parking fees, taxicab fares, train, airplane, bus tickets
- Fuel for rental cars only may be purchased
- NO food purchases can be made for any meals or related items while traveling

.4. Use of P-Card for Taxable Goods from Out-of-State Merchants. California sales tax *must* be applied to all *P-Card* purchases of taxable items from out-of-state merchants. If the out-of-state merchant does not include sales tax on the invoice of an item or items that are normally taxed, the cardholder *must* make the correction in the Auditor's Purchasing Card Application when certifying their card account.

5. *P-Card Restrictions.* Although a card may be accepted at the merchant's facility, *P-Card*s *shall* not be used for:

- *Professional services*
- Fuel for vehicles other than rental cars or county owned boats in service by Law Enforcement
- *Capital assets*
- Cash advances
- Meals or food for County-related training/events, unless prior approval has been granted by the Purchasing Agent

- Any item for employee appreciation or socials without prior authorization from the Board of Supervisors
- Additional restrictions implemented by the cardholder's department head
- Gift cards without prior authorization for the Board of Supervisors

In an effort to assist the department from preventing inadvertent *P-Card* violations, the Purchasing Division *will* place merchant code restrictions through US Bank on *P-Cards* blocking transactions from merchants which appear to provide *goods* or *services* that may be restricted. However, these merchant codes are broad and the method of assignment of a merchant code by the institution is not well defined. These code restrictions are valuable but will not block all unauthorized transactions. The department head is ultimately responsible to conduct *P-Card* transactions within County policy. (Rev. 03/20)

6. P-Card Dollar Limitations. Single transactions cannot exceed the single transaction limit that is established by the department or $9,999, whichever is less. If a *Purchase Order* is not a viable option for a single transaction, such as the vendor does not accept purchase orders, and all procurement requirements have been met, the transaction may exceed $9,999 with the Purchasing Agent's approval. Single items over $4,999, including tax and shipping, *shall* not be purchased by means of the *P-Card* and *will* require the department to submit a *Requisition*. Monthly purchases cannot exceed $20,000 and annual purchases cannot exceed $100,000 without special approval from the Purchasing Agent. With the encouragement of the Purchasing Division to use *P-Cards* as the method of payment in place of low-dollar *Purchase Orders* and *Blanket Purchase Orders*, the department *should* notify the Purchasing Division of the cardholders that will likely exceed the monthly and/or annual limits and prior to exceeding the monthly or annual limit may recommend a new maximum limit on those cards. All other cards reaching the monthly limit *will* be frozen until the next billing cycle and those reaching the annual limit *will* be frozen until the next fiscal year. These restrictions are per card and employees that have been issued more than one *P-Card* for multiple budget units *will* follow the restrictions and limitations of each card separately. (Rev.9/14)

7. Card Misuse. Employees who misuse their cards may lose all card privileges. Any misuse found by the Auditor-Controller-County Clerk *will* be reported to the department head and the Purchasing Agent for appropriate action. The Purchasing Division *will* also conduct ongoing reviews of possible misuse. Misuse is defined as:

- Purchasing multiple items over several days to avoid the competitive bid process
- Splitting items to circumvent the *Capital Asset* dollar amount
- Splitting transactions to circumvent the card transaction limit
- Use of the card by any individual other than the cardholder
- Purchasing any item or service as outlined in section 519.4

8. Request a New P-Card. Department *will* request a new *P-Card* through the Purchasing Card Application in AuditorNet for each employee authorized by the department head to be issued a card. US Bank will mail the card to the Purchasing Division with a unique account number that is specific to the department and the cardholder.

a. P-Card Class and Test. Before the *P-Card* will be released to the cardholder, the cardholder *must* view the *P-Card* instructional video offered by the Purchasing Division through CountyNet and *must* pass the *P-Card* test with a score of at least 80%. The test is offered immediately following the instructional video. Once the cardholder has passed the *P-Card* test, the card will be released to the cardholder for use. This *P-Card* instructional video *must* be viewed, and the test passed by each cardholder when the card is originally issued and when the replacement for an expired card is issued by US Bank approximately every four (4) years. Those individuals authorized by the department head to issue *P-Cards*

to employees, defined as PCRequestors within the Auditor-Controller-County Clerk's Purchasing Card Application, and those individuals authorized to approve *P-Card* transactions of the department's cardholders, defined as PCApprovers, *must* also view the instructional video and pass the test. This is to ensure the PCRequestor and PCApprover understand the authority being given to the cardholder. (Rev.9/14)

9. Card Cancellation. When a cardholder leaves County employment or the department head rescinds the employee's authorization for a *P-Card* account, the department *shall* cancel the card through the Purchasing Card Application in AuditorNet. The department *shall* promptly destroy the card. The department is responsible for any charges incurred after an employee leaves county employment or has the *P-Card* canceled.

10. Lost or Stolen Cards. Cardholder *shall* promptly report a lost or stolen card directly to US Bank. The card will be cancelled immediately, and US Bank will issue a new card under the cardholder's name and mail the card to the Purchasing Division for distribution to the cardholder. Any unauthorized charges incurred prior to notifying US Bank are the responsibility of the department, not to exceed $50 in accordance with the US Bank Purchasing Card Agreement.

11. Requests for Temporary Lift of Restrictions. If the department would like to request a lift of restriction on a specific *P-Card* for a purchase that is typically restricted from *P-Card* use, as stated in section 519.4 of this manual, the department *shall* make the request within the Auditor-Controller-County Clerk's Purchasing Card Application. The department *shall* provide justification details for the purchase, the merchant involved and the dollar amount of the transaction. The request is forwarded to the Purchasing Agent to either approve or decline the request. (Rev.9/14)

12. P-Card Use During a Declared Emergency. During a declared emergency by the Board of Supervisors, the *P-Card* transaction limits for all cardholders participating in the emergency *shall* be increased to $50,000 per transaction with a $200,000 total limit and restrictions *shall* be lifted to allow these cardholders the ability to make necessary purchases as required to continue operations. Once the initial emergency is declared over by the Board of Supervisors, all dollar limits and restrictions *will* revert to their original settings. In addition, select individuals, as determined by the Logistics Chief or Emergency Operations Center Director, will be authorized to use pre-issued emergency *P-Cards* with no dollar limitations or restrictions to pay for expenses incurred due to the emergency. Normal bidding procedures may be waived to accommodate necessary purchases in which the time required to bid would not be in the best interest of the County. (Rev. 3/20)

13. Fire Department and Sheriff Search and Rescue Emergency Response Expenses. When Fire personnel or Sheriff Search and Rescue personnel respond to an emergency incident, those so designated by the department heads are authorized to be issued Purchasing Cards (*P-Cards*). In this instance, the *P-Card* may be used to procure food, meals, lodging, and small parts and *services* related to the mechanical failure of vehicles or equipment. Compliance with all other established policies and procedures governing the use of *P-Cards* is required. The department heads *shall* be responsible for ensuring reimbursement by any employee violating the policies and procedures within 30 days. Under this section, a gratuity, in the form of a customary tip or service charge, is an eligible expense but *must* not exceed 18% of the total charge or the percentage imposed for large parties by the restaurant or catering service. *(Rev.9/14)*

14. Supporting Documentation. Each cardholder is required to certify that the items charged on their *P-Card* account are accurate and have been billed at the correct price with the correct sales tax. All charges *must* be supported with a sales draft that contains sufficient description to properly identify the *goods* or *services* purchased. All supporting documentation including detailed sales drafts, invoices, quotes and approved sole source justification, if applicable, *shall* be scanned and attached to the transaction on the Auditor's Purchasing Card Application. Cardholders unable to certify electronically *should* sign the

supporting documentation as their certification. An authorized employee from the department can then scan in the documentation and complete the electronic certification. Purchases by telephone shall have supporting documentation from the vendor subsequent to the order being placed. The cardholder should obtain via e-mail, fax or mail, a receipt, sales draft, order confirmation or invoice which confirms the charge, costs, and a description of what was ordered by the cardholder. A written phone log can be maintained by the department, but the purpose of the phone log is only to record the charge until the receipt is received by the cardholder. (Rev.4/19*)*

15. P-Card Payments / Certification. At the close of each billing cycle, each cardholder *will* receive notification from the Auditor-Controller-County Clerk's office that their card account *will* require review and certification. After the cardholder has certified the charges as correct, and the electronic certification is completed, an individual within the department that has been assigned the role of PCApprover or PCRequester as defined by the Auditor-Controller-County Clerk's system *will* approve the transactions. An authorized employee from the department may both electronically certify and approve the transactions of a cardholder if the employee is not the cardholder and the cardholder has signed the supporting documentation as accurate. A cardholder cannot both certify and approve his own transactions. Any *P-Card* which has not been certified and approved by the department, with appropriate documentation scanned in, within forty-five days from the statement date may be temporarily suspended until certification has been processed. (Rev. 03/13)

519. Claim for Payment. A *Claim for Payment* is a form used by the Auditor-Controller-County Clerk's Office to process payments. *Claims for Payment* are submitted to the Auditor-Controller-County Clerk electronically. The department creates and approves the claim prior to submitting it to the Auditor-Controller-County Clerk. A copy of the intranet claim and invoice or other documentation as required by the purchase order or agreement is then sent to the Auditor-Controller-County Clerk for payment processing. Invoices *should* be original. In the event that a copy of an original must be used, it *must* be marked "Use as Original". A copy of the invoice *should* be provided for remittance to the vendor if necessary. If the invoice has a perforated remittance, no copy is needed. *Claims for Payment must* be used to process all payments on County contracts, *Purchase Orders* and *Blanket Purchase Orders*.

The Auditor-Controller-County Clerk *will* return to the department any claims it determines to be in error or out of compliance with County policy.

Charges that can be paid on a Miscellaneous *Claim for Payment* without a *Purchase Order* or agreement are:

A. Payments that have been authorized by the Board, including emergency payments and departmental specific charges for which the Board has authorized payment upon departmental approval
B. Reimbursement of Revolving, Cash Difference and Petty Cash Funds
C. Bank charges on County bank accounts
D. Government Code refunds
E. Memberships and registration fees
F. Employee reimbursements (See Chapter 3) and payments authorized under section 317
G. Subscriptions, books and training materials, technical publications, postage, etc.
H. Payment of assessed liens, penalty or other assessments, permit fees and other payments made to regulatory bodies or other governmental agencies, including court costs
I. Utilities, insurance, title-related payments and notary bonds
J. Legal notices, classified ads and other advertisements, with reference to *Price Agreement* as applicable
K. Interpreter services, including sign language services, with reference to *Price Agreement* as applicable (Rev. 11-13)

L. Medical service payments in cases where a purchase order or agreement is not feasible (EMS, Fire Department, Public Health, California Children Services, Sheriff-Coroner, Mental Health and KMC)
M. Animal Control payments to veterinarians in cases where a *Purchase Order* or agreement is not feasible
N. Board of Trade event-related activities, including catering
O. DHS supportive payments for welfare program participants
P. Interlibrary loan charges
Q. Emergency towing charges
R. Expert testimony, subpoena compliance, witness fees and witness lodging under California Witness Protection Program
S. Court ordered fees or costs, including reimbursement of legal costs ordered by the court
T. Mediation, arbitration and administrative hearing costs, including retirement
U. Live Scan fingerprints from the Department of Justice, accident photos, reproduction of litigation documents, process services, etc.
V. Payments mandated by law or authorized under government code, county ordinance or Board direction for which the Miscellaneous Claim process is the most feasible method of payment, as determined by the Auditor-Controller

520. Advance Payment. Expenditures that require advance payment, such as postage, post office box rental, magazine and text subscriptions, membership dues, and training and technical materials on media, may be made by *P-Card* or by processing a *Claim for Payment*.

521. Revolving Funds. Departments can request approval from the Auditor-Controller-County Clerk to establish a revolving fund for a stated dollar limit in order to pay for specified *services* and/or material which are considered a legal charge against the County and are in compliance with Government Code §29320. Written authorization from the Auditor-Controller-County Clerk is required. Reimbursement is the same as for petty cash revolving funds.

522. Petty Cash Revolving Funds. To establish a petty cash revolving fund, the department head *must* obtain authorization by submitting a request via memorandum to the Purchasing Agent, certifying compliance with the purchasing procedures as outlined in this chapter, Ordinance Code §§2.38.070-.150 and Government Code §25500. The department *must* also submit a request to the Auditor-Controller-County Clerk specifying the amount of the fund. Petty cash revolving funds *will* not be established for less than $100.

.1 Unauthorized *Use.* Accepting IOUs in any form, splitting invoices or receipts and cashing checks or negotiable instruments is prohibited. Medicine, membership or registration fees, parking fees, printing services, training, *goods* or *services* for employee socialization, travel or transportation expenses, gasoline, or furniture of any kind cannot be purchased through a petty cash fund.

.2 Purchase Limits. Purchases can be made up to $500. Purchases over $500 *must* be made by *Purchase Order*, *P-Card* or by *Claim for Payment* when appropriate.

.3 Reimbursement. A receipt, invoice or a petty cash voucher that states the vendor's name, what was purchased and where the purchase was made *must* support all purchases from the petty cash fund. Departments *must* submit an electronic *Claim for Payment* through AuditorNet including the supporting expense documentation as frequently as needed to maintain an adequate cash balance in the fund. Claims for less than $50 *will* not be accepted, except that all funds are to be reimbursed at the end of the fiscal year regardless of the amount reimbursable. Unless the size of the departmental structure prohibits, the custodian signature and the authorized signature on the *Claim for Payment should* not be the same. If the claim is

approved for payment, the warrant *will* be payable to the department head. If any portion of the claim is not approved, the claim *will* be returned to the department for further review. If a claim is rejected for payment, the employee who authorized the purchase is responsible for reimbursing the petty cash fund.

.4 Accounting *Documents.* The Auditor-Controller-County Clerk *will* provide samples of the petty cash vouchers, petty cash log and a prepared *Claim for Payment* upon department request. Departments *should* maintain a log of any petty cash transactions that are not in a checking account. Distributions from the fund *should* match to receipts, invoices and petty cash vouchers. Departments *should* retain a copy of receipts and invoices, petty cash vouchers, *Claims for Payment* and the petty cash log for auditing purposes.

523. Piggyback Purchases. Based on Resolution #2001-017 which was adopted by the Board of Supervisors in January 2001, the Purchasing Division has been granted authority to "piggyback" using contracts or cooperative purchase agreements established by other governmental agencies whether federal, state or local or sponsored by a cooperative purchase group, for the purchase of any *good* or service (Resolution #2019-272) on behalf of the County when the other governmental agency or cooperative purchase group has used an appropriate competitive bid process to select the vendor with whom it has contracted. The Purchasing Agent *will* determine whether it is advantageous to the County to contract by this method on a case-by-case basis by completing a detailed Cooperative Justification Statement. While this resolution allows for the use of the contract, it does not globally approve the terms and conditions of the contract. County Counsel's approval is required before the Purchasing Agent can enter into any contract with a vendor, including those awarded through "piggybacking" on another governmental agency's competitively bid contract. (Rev.9/19)

524. Purchase of Used Equipment. Any purchase of used equipment requires an estimate from an independent third party unless a competitive bid process of similar used equipment is performed and the bid contains defined minimum specifications as part of the bid.

525. Group Purchasing Organization (GPO). Departments may obtain authorization to participate in a Group Purchasing Organization (GPO) and to use the member vendors affiliated with these organizations. The authorization to participate in such a GPO *must* first be granted by the Board of Supervisors upon request by the department. Once authorization has been granted, an *RFP* process *will* be utilized by the department to select a GPO to recommend to the Board of Supervisors for approval. A resolution identifying the selected GPO *must* be written by the department, with assistance from County Counsel.

If the Purchasing Agent concurs that the awarded GPO utilizes a competitive selection process which is comparable to the RFP process used by the County, the department may contract with the GPO participating vendor most qualified to provide the *goods, services* or *professional services* required, though the department *shall* still negotiate for the best pricing and County Counsel *must* review and approve any required agreements. If a local vendor, in addition to GPO participating vendors, can provide the *good, service* or *professional service* required of the department and the purchase will exceed $200,000 annually, the department *must* give these local vendors, an opportunity to participate and a competitive bid process *shall* be conducted. (Rev. 3/20)

526. Joint Powers Authority. Authorization to purchase *goods* or *services* through a Joint Powers Authority (JPA) *must* be approved by the Board of Supervisors on an annual basis. Upon concurrence by the County Administrative Office and review and approval by County Counsel, the department *shall* make a request for the Board to authorize purchases through the JPA up to a specified not-to-exceed amount for each fiscal year.

The department *shall* ensure that procurement practices observed by the JPA do not contradict any of the County's procurement policies as outlined in this Chapter. Additionally, departments *shall* compare pricing among other sources, including local vendors, and ensure that JPA purchases are cost-effective. If the

Purchasing Agent concurs that purchases made through the JPA are of a competitive selection process comparable to the bidding processes used by the County, the department *shall* have the option of purchasing through the JPA after the County Administrative Office has approved the requested purchase(s) for available funding.

These JPA agreements *must* be reviewed by County Counsel and approved for continued participation by the Board of Supervisors at a minimum of every ten years.

The purchases authorized by the Board may be ordered during the fiscal year using a County Purchase Order issued by Purchasing Agent, or directly encumbered with the Auditor. Departments may submit requisitions for each purchase along with a written quote detailing the goods and/or services and the Purchasing Agent will process and encumber each purchase with the Auditor, sign any order documents within Purchasing authority and release the Purchase Order to the JPA. (Rev. 9-14)

527. *Best Value Bid* Procurement Process. The Formal Bid Type 2 *Best Value Bid* method of procurement incorporates cost, quality and other 'best value' requirements to achieve a resulting award that is fair, efficient, competitive, and that meets all of the procurement objectives. Procurements using this process *shall* be made in accordance with all applicable State and County policies and regulations. The *Best Value Bid* process may be used by the Purchasing Division when bidding for *goods* or *services* when low cost alone would not be in the best interest of the County and when it is clearly stated in the *Quotation Request form* to the bidders that Formal Bid Type 2 *Best Value Bid* will be the basis of award. Qualified bidders *must* first meet all of the minimum specifications before being elevated to the 'best value' evaluation, final ranking and award. *(Rev.9/14)*

Local Vendor Preference (LVP)
Local vendors *shall* be given a local vendor preference and Local Employee Ratio in the *Best Value Bid* scoring. If one or more of the bidders is a local vendor as defined in section 531 of this manual, these bidders *shall* be entitled to a local vendor preference; and

Local Employee Ratio
A local employee ratio shall be defined as the percentage of Kern County residents currently employed and working full-time equivalent for a local vendor; to any local vendor's total number of full-time equivalent employees statewide. This ratio when applied shall give local vendors that hire and employ full-time equivalent local residents a higher preference over vendors considered local by the definition in section 531 of this manual. *(Rev. 11/19)*

Qualifying local vendor with a Local Employee Ratio of 50% or higher will be elevated one (1) ranking position, and those with a ratio of 100% will be elevated two (2) ranking positions. *(Rev. 11/19)*

The policies of the procurement methods for *goods* and *services*, as described in section 508 of this manual, have not changed, only the competitive process has been modified to a *Best Value Bid* process and evaluation for use with these vendors. *(Rev.9/14)*

528. California Multiple Award Schedules (CMAS) and General Services Administration (GSA) Vendors. Departments may participate in CMAS and GSA agreements as outlined in each section below.

.1 California Multiple Award Schedules (CMAS). The authorization to participate in CMAS agreements is given to all County departments with the understanding that a Formal Bid Type 2 *Best Value Bid* process will be administered by the Purchasing Division to select among the CMAS participating vendors when no known local vendor can provide the *goods* or *services* required. The requesting

department *will* provide all specifications to the Purchasing Division for this *Best Value Bid* process. *(Rev.9/14)*

.2 General Service Administration (GSA). The authorization to participate in GSA agreements is open to specific departments who have been authorized to use a 'GSA' number issued to a Federal government agency, e.g. County Fire Department may use the Cal Forestry GSA number to purchase items for firefighting.

GSA allows any County department, under certain circumstances, to use its GSA agreements with vendors to purchase specific items for intended use in 'Disaster Recovery' or 'Homeland Security' needs. The requesting department *will* submit complete specifications to the Purchasing Division and the Purchasing Division *will* perform a *Best Value* process to select among the GSA participating vendors for the following:

a. *Cooperative Purchasing.* The purchase of Information Technology (IT) products, services, and support equipment, as well as law enforcement, security, facilities management, fire, rescue, clothing, marine craft and emergency/disaster response products and services from Federal Supply Schedules for 'Homeland Security' needs

b. *Disaster Recovery Purchasing*. The purchase of products and services under GSA Schedule Contracts only to facilitate recovery from a major disaster

529. Rentals and Leases – Personal Property. If the total dollar amount of a proposed personal property lease, capital lease or operating lease exceeds $50,000, County Administrative Office approval is required. All personal property leases over $50,000 *shall* be competitively bid. If a bidding process is not an option, the proposed lease is considered a *sole source* lease, which requires the Board of Supervisor's approval. The Purchasing Division is responsible for negotiating personal property rental/lease agreements on behalf of the County in an amount up to $500,000, signing the personal property rental/lease agreement and issuing *Purchase Orders* authorizing the lease of personal property. *(Rev.9/14)*

The department is required to send a copy of the lease amortization schedule to the Auditor-Controller-County Clerk's office for all equipment purchased by capital lease. See section 407.5 of the County Policy & Procedure Manual for more information.

Booth and/or space rentals for job fairs, marketing of services, etc. may be procured by means of a Miscellaneous Claim or *P-Card*. If a vendor agreement is required, the Purchasing Agent may execute the agreement upon approval as to form by County Counsel. If County Counsel finds that the agreement requires the County to assume any unusual or unreasonable risk or liability and will not approve the agreement as required by the vendor, the requesting department *must* submit the agreement to the Board of Supervisors for approval.

530. County Contracts. Unless a department receives prior approval from the Board of Supervisors, only the Board and the Purchasing Agent have the authority to enter into contracts on behalf of the County. However, the requesting department has several responsibilities in preparation of the contract's approval and monitoring of the awarded contract:

- The department head is responsible for the content of contracts handled by the department. The department head *must* be able to explain and defend the business terms and conditions in the contract, especially those that impose unreasonable and unusual liability on the County.
- The department head is responsible for planning and negotiating business terms, conditions and substantive content of all contracts for specialized services provided to or managed by the department, e.g., agreements of sale, software license agreements, and *professional service* agreements.

- The department *shall* forward the contract and any supplemental terms and conditions to County Counsel for review as to form on statutory compliance, adequacy and accuracy of terms and enforceability of all contracts. Terms and conditions *must* be favorable to the County and *must* protect the County's interests. In reviewing contracts, County Counsel *shall* exercise discretion and determine whether the individual contract provisions stated in section 530.3.D are applicable and relevant to whether the contract should be approved as to form. County Counsel may renew approval as to form for any existing contract, even if it contains terms that are "objectionable" under section 530.3.D, if: 1) the contract was previously approved by County Counsel or the Board of Supervisors, 2) the vendor has proven reliable, 3) the risk of potential liability to the County through the contract is normal or minimal, and 4) the change to a new vendor would not be in the best interests of the County. If approved by County Counsel, the department may move forward in obtaining authorization of the contract. If County Counsel finds that the contract requires the County to assume any unusual or unreasonable risk or liability or cannot for any other reason approve the agreement as required by the vendor, the department *must* submit the contract to the Board of Supervisors noting the areas of concern identified by County Counsel, and request Board approval. (Rev. 09/19)
- On technology related contracts, the department *shall* forward the contract to the Chief Information Technology Officer responsible for technology review within the ITS Department. This individual is charged with the responsibility of reviewing the contract for bandwidth impacts, firewall modifications, interaction with other existing systems, security issues, servers, software development and support services that may affect the department or the County. If the contract is $50,000 or more, the Chief Information Technology Officer's signature is required. If the contract is under $50,000, the Chief Information Technology Officer's *will* review to remain informed of technology that is being utilized within the County, but his/her signature is not required, nor does the department need to wait on this review. However, if there is an area of concern, the department *will* be notified as soon as possible. *(Rev.9/14)*
- Once the contract has been awarded, the department head is also responsible for ensuring that the contractor is performing and complying with the terms and conditions of the contract prior to issuing any payments. A process for monitoring contracts for compliance and ensuring that a certificate of insurance with separate endorsement *must* be established by the department. (Rev. 11-13)

.1 Retroactive Approval of Board Contracts. Any contract taken to the Board of Supervisors for approval after the contract's effective date *must* state, within the text of the Board letter, that the contract is retroactive and provide a justification for the request for Board approval after the contract's effective date. (Rev. 02/13)

.2 Agenda *Procedures for Contracts Containing Objectionable Provisions.* The following procedures *shall* be followed by all departments placing a contract related item on the Board of Supervisors' Agenda for approval when County Counsel will not approve the contract as to form *(Rev.9/14)*

A. If the reason County Counsel will not approve the contract as to form relates to any one of the provisions listed in items 1 through 6 in subsection D below (above the line), the matter *must* be a non-consent item on the agenda. (Rev. 11-13)

B. If the reason County Counsel will not approve the contract relates to any of the provisions contained in items 7 through 13 in subsection D below (below the line), the matter may be placed on the consent agenda. However, if County Counsel has notified the department that the contract exposes the County to unusual risk or potential liability, the matter *must* be placed on the non-consent agenda so that County Counsel may specifically bring this issue to the attention of the Board of Supervisors. (Rev. 11-13)

C. In either case, the department *shall* explain in its Board letter which provision(s) County Counsel has found objectionable and what efforts the department has made with the vendor to negotiate a

revision to the provision(s) that would make it acceptable to the County. The department *shall* also include in the Board letter an explanation regarding the amount of risk and potential liability the County will likely be exposed to by entering into the contract, and why, in the department's opinion it is still in the best interest of the County to proceed with the contract. In addition, the Board letter *must* include a statement indicating County Counsel's opinion regarding the risk and potential liability of the County associated with the contract.

D. The list of contract provisions referenced in subsections A. and B. above are as follows:

1. Indemnification. Vendor refuses to indemnify the County or requires that the contract contain an indemnification provision that cannot be approved by County Counsel.

2. Insurance. The insurance provision deviates from the County standard insurance clause and requirements and cannot be approved by the County Risk Manager.

3. Waiver of warranties.

4. Limitations on liability.

5. Termination of contract. The contract either does not contain a termination provision or the termination provision cannot be approved by County Counsel.

6. Unilateral modification of contract terms. Appears most frequently in software purchase contracts and KMC provider agreements.

7. Remedies.

a. Governing law, if not California.

b. Venue, if not Kern County.

c. Binding arbitration.

d. Waiver of jury trial.

e. Attorney's fees awarded to prevailing party in litigation.

8. Automatic cost of living increases, with no caps.

9. Interest on late payments by County.

10. Assignment and subletting.

a. Non-property contracts. County wants right to consent to assignment by contracting party.

b. Property contracts. Where County is lessor, County wants right to consent to assignment and subletting. Where County is lessee, County wants right to assign and sublet, in particular to other County departments.

11. Confidentiality. The California Public Records Act limits enforceability of confidentiality clauses.

12. Legally required provisions. When a particular provision(s) is required by State statute or federal requirements to be included in a contract and provision(s) conflicts with County policy or is otherwise considered non-standard by County Counsel.

13. Non-negotiable agreements with State and federal agencies or sole source vendor.

a. State and federal agencies. State or federal agency will not negotiate or deviate from its standard contract.

b. Sole source. Vendors will not negotiate or deviate from its standard contract, and the County has no other source of supply that will properly meet the needs of the County.

E. Exceptions Allowing Contracts with Objectionable Terms to Proceed on the Consent Agenda.

1. Notwithstanding the foregoing, a contract may proceed on the consent calendar no matter what provision County Counsel has found to be objectionable, if the contract has a maximum dollar amounts of $50,000 or less. This exception may not be applied, however, if County Counsel determines that notwithstanding the low dollar amount of the contract, the circumstances associated with the contract create a greater-than-normal level of risk or potential liability on the part of the County. If County Counsel makes that determination, the item *shall* be placed on the non-consent agenda so that it may be discussed with the Board of Supervisors. In either case, the department's Board letter *shall* contain the same information as indicated in subsection C. above. (Rev. 011/13)

2. Additionally, regardless of the foregoing provisions, County Counsel may approve contracts as to form when the department has adequately explained the circumstances requiring the contract and the need for *goods* or *services*, and the department has adequately demonstrated that the contract presents a low degree of risk to County if entered into even with the objectionable terms. The department should include the following template language, as completed by County Counsel for the specific contract during review, in the Board Letter when this exception is used to place a matter on the consent agenda:

"This [identify contract] does not comply with Administrative Policy and Procedures Manual, Section 530. However, based on representations made by the Department with respect to the need for the [services/goods][include reference to sole source if applicable], and the low degree of risk, County Counsel has no strong objection and approves the [identify contract] as to form on that basis." (Rev. 09/19)

<u>531.</u> <u>Local Vendor Preference.</u> The Board of Supervisors has approved and supports a local vendor preference which applies to all competitive *bids* for equipment, materials, supplies and *contractual services* in which the *contractual services* are procured using a *bid* solicitation process based solely on price. No consideration *shall* be given to any other factors such as qualifications, references or experience in determining contract award, provided the vendor whose price is determined to be the lowest has met all the *bid* specifications and requirements. The preference does not apply to *public works/construction* projects which *must* be awarded to the low responsive, responsible bidder to specification per Public Contract Code. A preference *will* apply to *professional service* contracts awarded by means of the *RFP* process as described

in section 511 of this manual; goods and services awarded by means of a Best Value process as described in section 528 of this manual; and . (Rev. 9-14)

Local Vendor *shall* mean any business which:

1. Has had a fixed office or distribution point located in and having a street address within the County for at least six (6) months immediately prior to the issuance of the request for competitive *bids* by the purchasing agent;

2. Holds any required business license by the County or a City within the County *(Rev. 11/19)*; and

3. Employs at least one full-time or two part-time employees whose primary residence is located within Kern County, or if the business has no employees, is at least fifty percent owned by one or more persons whose primary residence(s) is located within Kern County; and

4. Will credit all sales taxes generated pursuant to the contract awarded as a result of the application of this local vendor preference to its business location in Kern County.

If the low bidder is not a local vendor, any local vendor that submitted a *bid* that is within five percent of the low *bid shall* have the option of submitting a new *bid* within 48 hours (not including weekends and holidays) of the time indicated in the *bid* documents of the *bid* opening. Such new *bids must* be in an amount less than or equal to the low *bid* announced by the Purchasing Agent. If the Purchasing Agent receives any new *bids* from local vendors who have the option of submitting new *bids* within said forty-eight (48) hour period, the Purchasing Agent *shall* award the contract to the local vendor submitting the lowest *bid*. If no new *bids* are received, the contract *shall* be awarded to the original low bidder as announced by the Purchasing Agent. If more than one new *bid* is received from local vendors, and there is a tie for the low *bid*, the contract *shall* be awarded to the local vendor whose original *bid* was the lowest.

Local Vendor Preference (LVP)
Local vendors *shall* be given a local vendor preference and Local Employee Ratio in the *bid* scoring. If one or more of the bidders is a local vendor as defined in section 531 of this manual, these bidders *shall* be entitled to a local vendor preference; and

<u>Local Employee Ratio</u>
A local employee ratio shall be defined as the percentage of Kern County residents currently employed and working full-time equivalent for a local vendor; to any local vendor's total number of full-time equivalent employees statewide. This ratio when applied shall give local vendors that hire and employ full-time equivalent local residents a higher preference over vendors considered local by the definition in section 531 of this manual. *(Rev. 11/19)*

BIDS AWARDED LOW BID TO SPECIFICATION:
After application of the 5% LVP score increase, all vendors with a Local Employee Ratio of 50% or higher will receive an additional 2% preference; those with a ratio of 100% will receive a 3% preference. If there is a tie for the lowest price after the preference is applied, the award will go to the local vendor whose original bid was the lowest. *(Rev. 11-19)*

REQUEST FOR PROPOSALS (RFPs)
In addition to the 5% LVP score increase, if the vendor's Local Employee Ratio is 50% or higher, they will receive an additional 2% score increase, and those with a ratio of 100% will receive a 3% increase to their score. (*Rev 11/19*)

BEST VALUE BIDS
Qualifying local vendor with a Local Employee Ratio of 50% or higher will be elevated one(1) ranking position, and those with a ratio of 100% will be elevated two (2) ranking positions. *(Rev. 11/19)*

For telephone or facsimile quotes, it is the responsibility of the buyer to determine the low bidder and to implement the local vendor preference.

Departments using the *Fast Track Bidding* Process *must* be aware of the local vendor preference when making a recommendation of award to the Purchasing Division. If the local vendor preference applies, the department *shall* notify the Purchasing Division of the situation and the Purchasing Division *will* make contact with the local vendor(s). The department *shall* submit a *Requisition* with the attached quotes and the Purchasing Division *will* complete the *bid* process and make the award. *(Rev.9/19)*

532. Small, Minority and Women Owned Business Enterprises, and Labor Surplus Area Firms. It is the goal of Kern County to use reasonable efforts to encourage, promote and increase participation of business enterprises owned and controlled by people of color and women in addition to small businesses and firms operating in a labor surplus area. In recognition of the need to promote the development of business enterprises owned and controlled by people of color and women to achieve a goal of equal opportunity, Kern County shall provide technical and informational assistance to such business enterprises with a particular emphasis on education programs to encourage participation in the contract procurement process.

There shall be a provision included into every solicitation for contract by Kern County stating the policy of the County is to encourage and support significant, meaningful participation by small businesses and business enterprises owned and controlled by people of color and women. To the extent practicable, all advertisements for the receipt of bids or requests for proposals shall reference this policy.

To further advance this goal, Kern County *shall:*

1. Divide total requirements of a contract or bid, when economically feasible, into smaller tasks or quantities to permit maximum participation by small businesses, and business enterprises owned and controlled by people of color and women;
2. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
3. Require the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this policy; and
4. Establish delivery schedules to encourage participation by small and minority and women businesses (i.e. timing and flexibility).

Kern County's Director of Diversity, Equity, and Inclusion, in consultation with the County's Purchasing Agent *shall:*

1. Establish and maintain a list of qualified business enterprises owned and controlled by persons of color and women. Such list of business enterprises shall identify suppliers and contractors by product, service, and capability as appropriate and may contain other relevant information regarding previous work history with the County or other municipal entities as may be appropriate and available. Such lists shall be disseminated to County departments on an annual basis or more often as requested in connection with a specific contract or procurement.

2. Establish a process to monitor and report on the participation of small business enterprises and businesses owned and controlled by persons of color and women in contracts or purchase orders

for the purchase of supplies, materials and equipment and services. The Director of Diversity, Equity, and Inclusion shall file an annual report with the Kern County Board of supervisors indicating the County's progress in the implementation of the goals stated in this chapter.

533. Other Than Low *Bid*. If the Purchasing Division or the requisitioning department elects to purchase an item from a vendor who is not the low bidder, and the single item has a cost of $1,000 or more, the purchase requires Board of Supervisor's approval per County Ordinance Code 2.38.151.

534. Confirming Orders. A confirming order is a purchase made by an individual without having authorized approval to make that purchase. As a general rule, only the Board of Supervisors and the Purchasing Agent have authority to obligate the County. Any employee who orders *goods* or *services* without following the established procedures for payment has exceeded his/her authority. The Purchasing Division with written justification from the department may approve confirming orders up to $50,000, including tax and shipping. Confirming orders over $50,000 *shall* be placed on the Board of Supervisor's agenda by the department for approval. *(Rev.9/14)*

535. Emergency Purchases. An emergency situation exists when an incident occurs that requires immediate action be taken to preserve life, health or property or essential public services. If the emergency purchase will require *public works/construction services*, refer to the procedures in section 509.1 of this manual. For emergency purchases other than *public works/construction,* the department *shall* contact the Purchasing Agent immediately for verification that an emergency situation exists, regardless of whether this occurs during regular business hours or not. Once approved, the department *shall* proceed with acquiring the *goods* or *services* required to mitigate the emergency and *shall* notify the Purchasing Division of the steps it has taken as soon as possible following the emergency. The Purchasing Division *will* provide instructions on how to issue payment to the vendor responding to the emergency. (Rev. 11-13)

536. Vending Machines and Public Telephones. The Purchasing Division is responsible for negotiating and executing licenses and agreements for placement and operation of vending machines and public telephones in County owned and leased buildings. All proceeds are credited to the General Fund through the Purchasing Division, unless otherwise authorized by the Purchasing Agent. *(Rev.9/14)*

537. Surplus Property Disposal. Per Government Code §25504, the Purchasing Agent has the sole responsibility to dispose of surplus County-owned property or *salvage*. *Surplus property* or reclaimed property may be disposed of by means of auction, surplus *bid*, equipment trade-in, recycling or donation as described in section 537 of this manual.

In an attempt to save funding and maximize County assets to the end of their useful life, any department that has *surplus property* in usable condition *should* contact the Purchasing Division by e-mail describing the *surplus property*, attaching photographs if possible. The Purchasing Division *will* distribute this e-mail to each department for possible transfer. If there is no response from other County departments, the department with the *surplus property shall* use the Inventory Adjustment Request (IAR) process for disposal.

If trade-in is a viable option for surplus equipment, either the trade-in equipment *will* be identified and become part of the competitive *bid* process for the new equipment or an independent third party *shall* determine the value of the equipment before it is negotiated in trade for newly awarded equipment. The department *shall* enter an IAR into the Auditor-Controller-County Clerk's *Capital Asset* Program and *shall* attach a copy of the IAR to the *Requisition* for purchase of the new equipment. The Purchasing Division *will* take appropriate action to ensure pick-up of the trade-in equipment once the new equipment is delivered.

.1 Inventory Adjustment Request (IAR). For all forms of disposal of *surplus property* or transfer among departments, an IAR *must* be completed on AuditorNet for approval. There are four levels of review and approval before the IAR is complete: Department Head, Purchasing, Auditor, and back to the originating requestor for verification. Once all approvals have been completed, the transfer among departments may take place, or, for surplus disposal, instructions *will* be provided on the Auction Authorization Form for the department to follow. A copy of the County-issued IAR and the Auction Authorization Form *shall* be signed by an authorized employee of the auction company at the time of transfer and retained by the department.

If the surplus equipment is beyond economical repair but has parts that can be used to replace defective parts on like equipment still in service, it may be more economical to keep the equipment in order to cannibalize (*salvage*) its parts. The department may request authorization to delete the equipment from inventory and use its parts on other equipment.

To send a vehicle or vehicles to auction, the department *must* first clear the title to any vehicle it wishes to send to auction. This includes vehicles that may be sold for scrap. After the title has cleared, the department *shall* submit an IAR and *shall* place no more than four vehicles on any one IAR. After the department has received IAR approval, the department *shall* remove the vehicle license plates and return them directly to the Department of Motor Vehicles (DMV). The department *will* then contact General Services to arrange for delivery or pick-up of the vehicle. Upon notification from the contracted auction company that the vehicle is in its possession, the Purchasing Division *will* sign the vehicle title to release liability and *will* forward title to the auction company. If a title is not on file, it is the responsibility of the department to obtain a duplicate title from the DMV.

.*2 Proceeds.* All proceeds are subject to auction service fees negotiated by the Purchasing Division. If the department auctioning the item is a General Fund department, the remainder of the proceeds is returned to the General Fund. If the department is a Non-General Fund department, a 10 percent handling fee *will* be retained in General Services and the net of the proceeds *will* go back to the department. If the Purchasing Agent has authorized a Non-General Fund department the option to list a piece of surplus equipment with an online auctioneer, such as eBay, the department may retain all of the proceeds from the auction sale after the auctioneer has collected any service fees.

Items acquired through special purpose or grant funds or for which proceeds *must* be returned to the transferring department *will* be credited to that department, provided that prior notification to the Purchasing Division has been made.

All proceeds obtained through a recycling program, such as recycled oil, *will* go back to the department. A 10 percent handling fee *will* be retained in General Services for all other recycling proceeds sent to the contracted vendors through the County's collection site and the net of the proceeds *will* be returned to the General Fund. Non-General Fund departments who deliver surplus directly to the recycling centers may retain all of the proceeds from recycling. Auction proceeds from surplus equipment that is replaced by new equipment acquired through a debt financing *shall* be applied to the outstanding debt by crediting the net auction proceeds to the fund and budget unit from which the replacement equipment was purchased. (Rev. 9-14)

538. Surplus Property Donation: In an attempt to save funding and maximize County assets to the end of their useful life, any department that has *surplus property* in usable condition *should* contact the Surplus Desk by e-mail describing the *surplus property*, attaching photographs if possible. The Surplus Desk *will* distribute this e-mail to each department for possible transfer. If there is no response from other County departments, the department with the *surplus property* may proceed with the donation process. *(Rev.9/14)*

.1 Surplus Non-Computer Equipment Donation. If there is no response from other County departments of the need for the surplus non-computer equipment, the department *shall* prepare a Board letter including a detailed description of the items to be donated, the recipient agency, a request that the Board approve the intent to donate and a request that the Clerk of the Board prepare and publish a Notice of Intent.

If the Board approves the intent to donate by a 4/5 vote, the Clerk of the Board *will* prepare the Notice of Intent and publish it in an adjudicated newspaper within 10 days of the approval. The department requesting the donation *will* pay for the publication. The department *shall* put this request back on its subagenda two weeks after the original Board date or at the next available Board meeting following the two-week period of time. If approved again by a 4/5 vote, the Board *will* authorize the department and the Purchasing Division to complete the donation and transfer ownership of the items.

.2 Surplus Computer Equipment Donation. Surplus computer equipment may be donated to school districts and those non-profit organizations with a 501(c)(3) status that are organized for the care, teaching or training of children or that provide health and human services. If there is no response from other County departments of the need for the surplus computer equipment, the department donating the equipment *shall* notify the non-profit organization to submit a request for the equipment to the Purchasing Division on the organization's letterhead. The Purchasing Division *will* notify the department that the donation has been approved and separate Board of Supervisors' approval is not required. The department *will* have an authorized employee from the organization sign the "Certification of Receipt of Surplus Computer Equipment" and *will* return a copy of this form to the Purchasing Division.

The donation *must* be conditioned on the following: computers *will* be loaded with operating system software only (all electronic files deleted, and licensed software removed), inventory and identification tags *must* be removed, and the County *will* not guarantee the current or future working condition nor provide technical assistance with the set-up or operation of the equipment.

539. Protest Procedures for Request for Bid/Quotation. Any bidder or contractor who is allegedly aggrieved in connection with the solicitation or award of a contract or *Purchase Order* may protest. Bidders are to be advised that protests of the process, terms, conditions or any other aspect of the solicitation *must* be made prior to the *bid* due date. Bidders may not protest the contents of the specifications of the *bid* nor the award based on the use of the local vendor preference policy. Bidders may also not protest the selection of a consultant through the use of an *RFP* process. If a contractor wishes to appeal an award made for *professional services* over $50,000 but not exceeding $200,000, such appeal *must* be made in writing to the Purchasing Agent for final decision. *(Rev.3/20)*

Protests *must* be submitted to the attention of the Purchasing Agent no later than five working days after the Purchasing Division has submitted notification of the non-award to the aggrieved party. All protests *must* include the protestor's contact information, signature of the protestor or protestor's representative, solicitation or contract number, a detailed statement of the legal and/or factual grounds of the protest and all documentation supporting the protestor's position at the time of the initial protest and the form of relief requested. *(Rev.9/14)*

The Purchasing Agent *will* respond in writing within ten (10) working days to the protestor. If the protestor wishes to appeal the decision rendered by the Purchasing Agent, such appeal *must* be made in writing to the Board of Supervisors within five working days of the Purchasing Agent's response. Protestors *must* contact the Clerk of the Board to be scheduled on the Board's agenda for the very next available meeting. All information submitted to the Board *must* be presented to the Purchasing Agent five working days prior to the Board meeting. *(Rev.9/14)*

540. Demonstration of Equipment / Software by Vendors. Departments may request a demonstration of equipment or software from a vendor. This demonstration and evaluation process is not in lieu of a competitive *bid* process. Prior to arranging any type of demonstration, the department *shall* complete a Notification of Demonstration form found on CountyNet and *shall* submit this form to the vendor and the Purchasing Division. The form advises the vendor that the demonstration of *goods* or equipment may not remain with the department for more than 30 days and that a competitive *bid* process will be conducted prior to the department procuring the equipment or software. The demonstration and evaluation by the department does not give the department the authority to bypass the competitive *bid* process. *(Rev.9/14)*

541. "I Agree" Software Policy. Department heads and designees are authorized to click "I Agree" to download and purchase software and software maintenance through the internet and to purchase off-the-shelf software with shrink-wrap licenses subject to the conditions stated in Exhibit A, which contains the full policy.

542. Contracting for Maintenance or Custodial Services. Pursuant to Government Code section 31000, the County may enter into a contract for *remote maintenance, landscaping or custodial services.*

543. Vehicle Standards. Departments may purchase vehicles and equipment in accordance with the standards contained in Exhibit B, which contains the full policy. *(Rev.9/14)*

EXHIBIT A

"I AGREE" SOFTWARE POLICY

Department Heads and their designated representatives are hereby authorized by the Board of Supervisors to click "I Agree" to download and purchase software and software maintenance through the Internet, or purchase off the shelf software with shrink-wrap licenses, on their own authority and without review of the software license or maintenance agreement by County Counsel and Information Technology Services (ITS), under the specific conditions provided for below. Shrink-wrap licenses under this policy are considered to be those licenses that do not require a signature and you confirm agreement to the license terms by opening the software packaging, by using the software, or by not returning the product to the manufacturer once it has been opened.

1. Prior to purchasing software and maintenance from the Internet or using software with a shrink-wrap license, departments are expected to review the terms and conditions of the agreement(s). Department heads or their designees who have been assigned County purchasing cards are authorized to make purchases up to $9,999, or the single purchase limit on their departmental purchasing card, whichever is less, without having the agreement(s) reviewed and approved by County Counsel and ITS, if the associated "click-on" or shrink-wrap agreement does not contain any of the prohibited terms and conditions indicated below and the product is not mission critical. This policy allows department heads or their designees to purchase multiple seats/copies of a software license and maintenance up to the $9,999 limit. Additionally, the Purchasing Agent may, upon the request of a department and receipt of a Department Head Certification, purchase software licenses and maintenance without obtaining approval by County Counsel and ITS where the cost exceeds the purchase limit of a departmental purchasing card provided that: (a) the cost does not exceed $24,999, (b) the product is not mission critical, and (c) the agreement(s) does not contain any of the prohibited provisions identified in section 2 below.

2. A department head or their designee may not agree to a license or maintenance agreement, regardless of whether the product is mission critical or not, if it contains any of the following provisions:

- Requirement for the agreement to be confidential between the County and the vendor
- Language allowing the vendor to unilaterally modify the agreement
- Multi-year agreement requiring annual subscription/license fees or automatic renewals with no ability for the County to terminate the agreement prior to each new annual period
- The County must indemnify the vendor for anything other than the County's own acts
- Limitations or disclaimer of the vendor's liability for gross negligence or intentional acts
- Any type of on-site services are included
- Language granting vendor the right to access any county server except upon the prior written approval of an authorized County representative and ITS

If a product is mission critical, the license and maintenance agreement *must* be reviewed by County Counsel and ITS prior to downloading or use by the department. In this context, mission critical is intended to mean any use of a product whereby over a period of time the department becomes dependent upon it to perform a function that is critical to the mission of their department and does not have any easily obtainable alternative means of accomplishing that portion of their mission. As a result, the use of such a product creates a potential risk to the County or the department because they may be required to discontinue use on short notice without sufficient time to replace the product or develop another method to adequately perform that particular task.

Should a department have questions concerning the terms and conditions in any "I Agree" or shrink-wrap license or maintenance agreement, they *should* seek guidance from County Counsel and ITS.

3. If any software license, maintenance agreement or other document subject to this policy requires a signature by a County representative, it *must* be submitted by the department to the Purchasing Agent for signature along with a copy of the Department Head Certification relating to that document. Unless otherwise authorized by the Board of Supervisors or state statute, departments are not authorized to execute agreements on behalf of the County.

4. When a department wants to "demo" a software product, if the vendor insists on having a "demo" or "trial" license, such license is subject to this full policy. In the event there is a "demo" or "trial" License, although not prohibitive, a department *should* make special note of any provisions that require the license to be purchased if not returned or destroyed within a specified period of time.

5. Any software patches, anti-virus updates and other such maintenance releases that require clicking on an "I Agree" to obtain them are hereby authorized for those products for which the department already has a valid license and maintenance agreement as applicable.
Requirements of Section 6 below do not apply to patches, updates, or maintenance releases for valid software licenses or maintenance agreements that are already documented in the department's permanent software licensing file.

6. In accordance with the County's Software Licensing policy, each department is required to print and file a copy of each distinctly different "I Agree" document that they agree to. The Department Head *must* sign the certification printed at the bottom of the Software License/Maintenance Review Form, indicating their approval of the purchase and certifying their assessment of the risks. The original of the form *shall* be retained by the department and a copy *shall* be provided to the Purchasing Agent. The main risk factors a Department Head *must* consider are:

- Financial liability due to use of the product if the product functions incorrectly or a third party incurs damages from the County's correct use of the product
- Loss of ability to use the product due to injunctive process or other restrictions such as a threat of an infringement lawsuit

The license and maintenance agreement documents, and the Department Head certification, *must* be filed in the permanent departmental software license file along with all other signed license agreements, shrink-wrap licenses, and proof of purchase. When requesting Purchasing to issue a *Purchase Order* to purchase software, the license and maintenance agreement documents and the Department Head certification *shall* be attached to the *Requisition*. The departmental software license file *shall* be audited by the Auditor/Controller during each department's bi-annual audit for compliance with this policy.