



## **Memo**

**To:** Commissioners, First 5 Ventura County

**From:** Jennifer Johnson, Director of Operations (On behalf of the Administration/Finance Committee)

**Date:** May 21, 2015

**Re:** Recommendation to update Procurement Policies and Procedures

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### **Background**

As a result of the single audit for fiscal year 2013/14, the Commission's procurement policies and procedures need to be updated to include a provision for awarding contracts that receive federal funding.

The proposed revision addresses the following:

- Determination at the time of contracting whether the contractor is considered a "vendor" or "subrecipient" per the definitions of OMB Circular A-133.
- Following applicable federal regulations for the procurement of goods and services with federal funds.

### **Recommendation**

The recommendation is to approve the updated Procurement Policy and Procedures, as attached.



## **Procurement of Goods and Services Policies and Procedures**

### **1. Goods and Services over \$5,000 dollars but under \$25,000**

- a. Services over \$5,000 but under \$25,000 REQUIRE the solicitation of at least three (3) quotes by qualified prospective vendors prior to the procurement of goods or services. Less than 3 quotes are allowable when single source or two-source procurement is technically justifiable or there are less than 3 qualified suppliers available.
- b. The lowest quote is not required to be the selected quote. Contracts shall be awarded based on cost, qualifications and performance.
- c. Documentation must be attached to the requisition and maintained on file for audit purposes.

### **2. Services \$25,000 and over**

- a. Services \$25,000 and over REQUIRE a formal solicitation and award process (Refer to Attachment A: Procedures for Formal Solicitation and Award Process for Services \$25,000 and Over).
- b. Formal solicitation shall be written to include the scope, specifications and terms of the proposed contract. Each formal solicitation shall provide sufficient detail to assist prospective bidders in calculating an accurate, unconditioned and stable proposal. Each formal solicitation shall provide explicitly that the Commission reserves the right to reject all bids and that failure to comply with specifications shall be grounds for disqualification. The Executive Director and/or Director of Operations shall approve all formal solicitations prior to issuance.
- c. The Fiscal Department shall retain complete copies of all formal solicitations for a period of at least two (2) years following submission of such solicitations.
- d. The Commission may reject any and all bids, may waive any irregularity in any bid and may re-advertise for bids.
- e. The Commission's policies against Conflicts of Interest apply to all formal solicitation processes.
- f. The lowest bid is not required to be the selected bid. Contracts shall be awarded based on cost, qualifications and performance.

### **3. Exceptions**

- a. **Exceptions are as follows:** The competitive proposal/bid requirements of this policy shall not apply under the following circumstances:
  - The supplies or equipment are purchased through the California Multiple Award Schedule program (CMAS), or have been competitively bid within the last year by another public agency.

- The supplies, equipment, or services to be procured are unique because of their quality, durability, availability or fitness for a particular use.
  - Such supplies, equipment or services are available from only one (1) source.
  - The Executive Director has determined in writing that exigent or emergency circumstances require the immediate purchase of specific supplies, services or equipment.
  - Personal services contracts of less than \$25,000 annually in the aggregate to any one (1) professional service provider.
4. **Purchase Requisitions (PR)** are required prior to all purchases regardless of dollar amount, for equipment, office supplies, etc. and general services such as computer repairs, phone system repairs, catering, facility rental, etc.
  5. **Emergency purchases or services** for any reason shall be approved by the Executive Director, a PR completed, executed and delivered to the Fiscal Department by the next business day (within 24 hours) of the time the costs were incurred.
  6. **Contracts for Services** are required prior to beginning of work for personal services such as program support, consulting, etc.
  7. **Awarding contracts to businesses representing specialized groups** - In any instance in which the Commission chooses to award contracts to meet goals regarding minority-owned businesses, women-owned businesses, disabled veteran-owned businesses and small businesses, the Commission will comply with the rules set out in Chapter 2 (commencing with Section 2000) of Part 1 of Division 2 of Public Contract Code.
  8. **Preference for United States grown product and processed foods** - The Commission will give preference to United States-grown produce and United States-processed foods when there is a choice and it is economically feasible to do so. The Commission will consider the total cost, quantity and quality of the food and the budget and policies, in determining economic feasibility.
  9. **Recycled products** - Whenever recycled products are available at the same or lesser total cost than nonrecycled products, the Commission will purchase recycled products instead of nonrecycled products in accordance with Chapter 3.5 (commencing with Section 22150) of Part 3 of Division 2 of the Public Contract Code. The Commission may give preference to suppliers of recycled products and may define the amount of this preference.
  10. **Awarding contracts with Federal funding:**
    - a. In any instance in which the Commission awards a contract that includes Federal funding, a determination will be made at the time of contracting whether it is considered a "vendor" or "subrecipient" per the definitions of OMB Circular A-133.
    - b. Applicable federal regulations will be followed for the procurement of goods and services with federal funds.