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POLICY TITLE: PURCHASING
POLICY NUMBER: 6160

COMMITTEE APPROVAL DATE: 02/12/2019 **WRITTEN/REVISED BY:** M. SUUA
BOARD APPROVAL DATE: 02/27/2019 **SUPERSEDES:** 03/22/2017

POLICY:

6160 It is the policy of the Beach Cities Health District’s Board of Directors (“Board”) to provide guidelines for purchasing of services and goods for the Beach Cities Health District (“District”) in order to maintain Board-level oversight. It is intended that this policy cover all purchasing activities of the District, except for those covered under the California Uniform Public Construction Cost Accounting Act (CUPCCA) as adopted by Board resolution #539 subject to California Public Contract Code sections 22000 *et seq.* This policy calls for acceptance of the best services and goods based on prices and other factors pertinent to the specific purchase. Dollar threshold levels have been established to promote competitive bidding and increase the efficiency of the procurement process.

Guidelines:

6160.1 All costs for purchases of services obtained must be covered within the District’s budget as adopted annually by Board resolution.

6160.1.1 Services obtained totaling \$10,000 or less annually for one-time or sporadic use will follow the District’s purchasing procedures.

6160.1.2 Services obtained totaling between \$10,001 and \$25,000 will need to be negotiated and documented in a quote, proposal or District or vendor agreement or contract approved by the Chief Executive Officer or designee and submitted to the Finance Department. To ensure the best services at the best price, Department will solicit quotes when possible for the procurement of the services. Departments may sole-source from trusted, reputable and reasonably priced vendors if the department can demonstrate that there are limited sources of supply.

6160.1.3 Services obtained totaling more than \$25,000 are subject to bidding requirements pursuant to California Health & Safety Code section 32132(a) and will need to be negotiated and documented in a District or vendor contract approved by the Chief Executive Officer or designee.

6160.1.4 Subsequent to the staff preferred vendor selection for purchases greater than \$50,000 but before awarding a contract, staff will obtain Board approval.

6160.2 All costs for purchases of goods whether operating expenditures or capital assets and improvements must be covered within the District's budget as adopted annually by Board resolution.

6160.2.1 Purchases of goods whether by item or group totaling below \$5,000 will follow the District's purchasing procedures.

6160.2.2 Purchases of goods between \$5,001 and \$25,000 will need to be negotiated and documented in a quote, proposal or a District or vendor contract approved by the Chief Executive Officer or designee and submitted to the Finance Department. To ensure the best goods at the best price, Departments will solicit quotes when possible for the procurement of the goods. Department may sole-source from trusted, reputable and reasonably priced vendors if the department can demonstrate that there are limited sources of supply.

6160.2.3 Goods, fixtures, equipment, etc. obtained totaling more than \$25,000 are subject to bidding requirements pursuant to California Health & Safety Code section 32132(a) and will need to be negotiated and documented in a District or vendor contract approved by the Chief Executive Officer or designee.

6160.2.4 Subsequent to the staff preferred vendor selection for services greater than \$50,000 but before awarding a contract, staff will obtain Board approval.

6160.3 Where formal bidding is required, the District shall follow the procedures described herein:

6160.3.1 An invitation to bid shall be submitted to a local newspaper and/or its website.

6160.3.2 A Public Notice shall be posted for two consecutive weeks in a local newspaper.

6160.3.3 Notification of the deadline for submission of the proposal shall be included in a formal Request for Qualifications ("RFQ") or Request for Proposal ("RFP"). Time should be allowed for responding to vendors, to meet with staff, prepare assessment reports, etc. before closing the process if necessary.

6160.3.4 Staff will review all submitted, complete bids and prepare a recommendation for selection.

6160.3.5 A legal and business review of all the submitted bids will be completed as applicable upon determination of the Chief Finance Officer or Chief Executive Officer.



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6160.3.6 Contract will be awarded to the lowest responsible bidder who can provide the security required under the RFQ/RFP and all prospective vendors that are not selected will be notified pursuant to H&S Code Section 32132(a).

6160.3.7 The Board shall not be required to secure bids for change orders that do not materially change the scope of the work as set forth in a contract previously made by the District if the contract was made after compliance with bidding requirements set forth above, and if each individual change order does not total more than 5% of the contract.

6160.4 The bidding requirements prescribed in the foregoing section shall not apply to contracts in excess of \$25,000 in the following situations pursuant to H&S Code section 32132, Government Code section 4526:

6160.4.1 With respect to the purchase of medical or surgical equipment or supplies.

6160.4.2 With respect to contracts with any person(s) to furnish to the District services and advice in matters including, but not limited to, financial, economic, accounting, engineering, legal, architectural, administrative, or construction management ("Professional Services"), the District shall follow the procedures described in Appendix A.

6160.4.3 With respect to the purchase of electronic data processing and telecommunications goods and services, the District shall follow the procedures described in Appendix B.

6160.4.4 With respect to contracts for work to be done or for materials and supplies to be furnished, sold or leased to the District if it first determines that (i) an emergency exists that warrants such expenditure due to disaster, and (ii) it is necessary to protect public health, safety, welfare or property. In the event that the emergency requires immediate action, the Chief Executive Officer may make the determination that an emergency condition exists and award a contract without first receiving Board approval. The Chief Executive Officer shall inform the Board of the emergency and the contract within 24 hours.

6160.5 The Chief Executive Officer or designee will approve all contracts.

6160.6 The Chief Executive Officer must review and approve exceptions to this policy.

Appendix A to Section 6160.4.2

California Government Code section 4525 et seq. requires the District to select providers of certain professional services, including architectural, landscape architectural, engineering, environmental, land surveying or construction project management services, on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. For contracts for professional services (as specifically defined under Gov. Code § 4525 et seq.), the Board of Directors directs District staff to implement the following procedures:

- Qualifications, experience and proposed approach to the scope of work of the professional services provider are to be evaluated and ranked in order to identify the individual or firm deemed to be most highly qualified to perform the services.
- Negotiations shall be conducted with the professional services provider deemed most qualified to establish the basis for a contract at a fair and reasonable price, and if agreement cannot be reached, negotiations will commence with the next most qualified individual or firm.

The Chief Executive Officer must review and approve any exceptions to this policy.

Practices which might result in unlawful activity including, but not limited to, rebates, kickbacks, or other unlawful consideration or conflicts of interest under California Government Code section 4526 are strictly prohibited.

Appendix B to Section 6160.4.3

For electronic data processing and telecommunications goods and services purchases in excess of \$25,000, the Board of Directors directs District staff to implement the following procedures:

A. Employ Competitive Means:

- Obtain competitive pricing by soliciting, at a minimum, two RFQ/RFP from trusted and reputable vendors to permit reasonable competition consistent with the nature and requirements of the proposed acquisition.

B. Award a Contract based on Cost-Effectiveness:

- Staff is directed to evaluate the following criteria based on the needs of the District to ensure the proposal selected is the most cost-effective solution to the District's requirements:
 - Price;
 - Quality;
 - Service;
 - Warranty;
 - Reputation of Vendor;
 - Prior experience with Vendor; and
 - Any other criteria deemed important as determined by staff.

Departments can sole-source from trusted, reputable and reasonably priced vendors if the Board determines that the vendor provides the only source of electronic data processing and telecommunications goods and services which can meet the District's need.