



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

H-1

For the meeting of: March 18, 2014

Date: March 4, 2014
To: Board of Supervisors
From: Phillip Smith-Hanes, County Administrative Officer *PSH*
Subject: Humboldt County Purchasing Policy

RECOMMENDATION(S):

That the Board of Supervisors:

Adopt the proposed resolution repealing the existing Board policies related to professional consultants, requests for proposals, environmentally preferable purchases and local business preferences and adopting a County Purchasing Policy.

SOURCE OF FUNDING:

Central Service Fund

DISCUSSION:

Currently County public purchasing is governed by Humboldt County Code, Chapter 5 of Division 4 of Title II code §§245-1 *et seq.* and by a series of policies that have been developed over time and do not reflect desirable practices. For this reason, staff has worked for a number of years to create a uniform Humboldt County Purchasing Policy ("Policy") to ensure that County expenditures are legally and

Prepared by: Bev Pixley

CAO Approval

REVIEW:

Auditor

County Counsel

Human Resources

Other

TYPE OF ITEM:

☐ Consent
☒ Departmental
☐ Public Hearing
☐ Other

PREVIOUS ACTION/REFERRAL:

Board Order No. X, F1, D10, C7

Meeting of: 9/15/81, 5/16/89, 3/11/08, 9/28/10

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT

Upon motion of Supervisor *Sundberg* Seconded by Supervisor *Fennell*

Ayes *Sundberg, Lovelace, Bohn, Fennell, Bass*

Nays
Abstain
Absent

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: March 18, 2014

By: *Kathy Hayes*
Kathy Hayes, Clerk of the Board

adequately executed and tracked; to establish clear guidelines for the purchase of goods and services; and to ensure accountability for the expenditure of taxpayer funds.

The methods contained in the Policy will be used to procure goods and services and provide the best value for the County using an open and fair process for vendors. This Policy will provide specific purchasing guidelines for all County departments in compliance with applicable Government Codes, Humboldt County Codes and Public Contract Codes. The Purchasing Team will support this Policy with specific procedures to further assist County Departments with their procurement needs.

This Policy was developed in collaboration with feedback from the Department of Health and Human Services, Public Works, Auditor and communication with other Departments.

Government Code §31000 and §25502.3 authorize the Purchasing Agent to engage independent contractors to perform services for the County when the annual aggregate cost does not exceed \$50,000.00 plus any annual increase in the Consumer Price Index. The adjusted CPI rate will be provided annually to all departments.

This Policy changes the small value purchase threshold, increasing it from \$500.00 to \$1000.00. The small value purchase threshold is found in County Code §245-3(h). An amendment to this Code section is being introduced today in a separate agenda item. The small value purchase increase will affect the designation in the County's Cal-Card Policy adopted June 16, 2009. An amendment to that policy will follow upon adoption of the Purchasing Policy. As a result of this increased threshold, and in collaboration with the Auditor's Office, the recordable and fixed asset dollar thresholds will increase as follows: recordable assets threshold for any single item value of \$600.00 to any single item value of \$1000; fixed asset threshold for any single item value of \$1200.00 to \$5000.00. An amendment to the Budget Adjustment Procedures is being introduced today in a separate agenda item.

This Policy adds emphasis to provide local vendors the opportunity to participate in the competitive procurement process and to be considered for small value purchases.

This Policy repeals the County Policy regarding the Selection, Engagement and Requirements of Professional Consultants adopted by the Board on September 15, 1981, and proposes updated language incorporating references to the Government Code in Policy Section 5.4. The selection of professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of demonstrated competence, professional qualifications and at fair and reasonable prices to the County (Government Code §4526). Selection will involve procedures that assure these services are engaged on the basis of demonstrated competence and qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies. Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the State Director of General Services pursuant to Government Code §14837.

This Policy also repeals the County Policy on Requests for Proposals (RFP's) adopted by the Board of Supervisors May 16, 1989, and proposes that the Purchasing Agent be given the authorization to approve County Requests for Proposals (RFP's) prior to their release in Policy Section 9.3.

This Policy further repeals the County Environmentally Preferable Purchases and Practices Policy adopted by the Board of Supervisors March 11, 2008, and restates the practice in Policy Section 14.0. This does not represent a policy change and is included to incorporate this practice into a single policy.

Finally, this Policy repeals the County Local Business Preference Policy adopted by the Board of Supervisors September 28, 2010, and restates it in Policy Section 13.0. Policy verbiage includes emphasis to provide local vendors the opportunity to participate in the competitive procurement process and to be considered for small value purchases (value of \$1,000.00 and less).

FINANCIAL IMPACT:

There is no significant financial impact to Departments with the adoption of this Policy; however, the County can expect to benefit from having a central resource document to assist Departments with managing our resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT:

None

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may choose not to adopt this Policy. This is not recommended as it would continue to leave departments with outdated, confusing, and incomplete policies rather than a central resource document for procuring goods and services that ensures the County is in compliance with applicable Government Codes, County Codes and Public Contract Codes.

ATTACHMENTS:

1. Humboldt County Resolution repealing the existing policies related to professional consultants, requests for proposals, environmentally preferable purchases and local business preferences and adopting a County Purchasing Policy. (The Purchasing Policy is Exhibit A to the Resolution).

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA
Certified copy of portion of proceedings, Meeting of March 18, 2014

RESOLUTION NO. 14-25

RESOLUTION OF THE HUMBOLDT COUNTY BOARD OF SUPERVISORS REPEALING THE EXISTING POLICIES RELATED TO PROFESSIONAL CONSULTANTS, REQUESTS FOR PROPOSALS, ENVIRONMENTALLY PREFERABLE PURCHASES AND LOCAL BUSINESS PREFERENCES AND ADOPTING A COUNTY PURCHASING POLICY

WHEREAS, the Humboldt County Board of Supervisors ("Board") has adopted several policies which impact the purchasing of good and services for the County; and

WHEREAS, on September 15, 1981 the Board adopted the *County Policy regarding the Selection, Engagement and Requirements of Professional Consultants*; and

WHEREAS, on May 16, 1989 the Board adopted the *County Policy on Request for Proposals*; and

WHEREAS, on March 11, 2008 the Board adopted the *County Environmentally Preferable Purchases and Practices Policy*; and

WHEREAS, on September 28, 2010 the Board adopted the *County Local Business Preference Policy*; and

WHEREAS, the Board wishes to adopt the *County of Humboldt Purchasing Policy* which combines these existing policies into a comprehensive purchasing policy.

NOW, THEREFORE, BE IT RESOLVED that:

1. The following Board Policies are repealed and restated in the *County of Humboldt Purchasing Policy*:
 - a. *County Policy regarding the Selection, Engagement and Requirements of Professional Consultants* (September 15, 1981);
 - b. *County Policy on Request for Proposals* (May 16, 1989);
 - c. *County Environmentally Preferable Purchases and Practices Policy* (March 11, 2008);
 - d. *County Local Business Preference Policy* (September 28, 2010).
2. The Board of Supervisor adopts the *County of Humboldt Purchasing Policy* attached hereto as Exhibit A.

Dated: March 18, 2014



REX BOHN, Chair of the Board of Supervisors

Adopted on motion by Supervisor Sundberg, seconded by Supervisor Fennell, and the following vote:

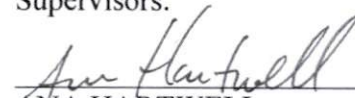
AYES:	Supervisors	Sundberg, Lovelace, Bohn, Fennell, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

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STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my Office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



ANA HARTWELL

Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California

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March 18, 2014

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ORIGINAL ISSUE DATE: March 18, 2014	COUNTY OF HUMBOLDT PURCHASING POLICY
REVISION DATE:	

1.0 GENERAL PROVISIONS

1.1 Statement of Policy

The County of Humboldt (County) created this purchasing policy (Policy) to ensure that County expenditures are legally and adequately executed and tracked, to establish clear guidelines for the purchase of goods and services, and to ensure accountability for the expenditure of taxpayer funds for its departments. The methods used to procure goods and services should provide the best value for the County using an open and fair process for vendors.

1.2 Purchasing Agent Authority

Counties have the authority to make contracts as may be necessary to the proper exercise of their powers (Government Code §23004(c)). A County may exercise its contract powers only through the Board of Supervisors or through agents and officers acting under authority of the Board or authority conferred by law (Government Code §23005).

Pursuant to Government Code §25500 *et seq.*, the Humboldt County Board of Supervisors employs a Purchasing Agent. "The Purchasing Agent, who shall have the powers and duties of County purchasing agent as prescribed by law, this Code and any other resolutions and orders of the Board of Supervisors, shall be the County Administrative Officer or his/her designee" (Humboldt County Code §245-1).

The County Administrative Officer has designated the Purchasing Team to make or facilitate the purchases of goods and services required by any County department. The Purchasing Team is under the direction of the County Administrative Officer.

EXCEPT AS OTHERWISE PROVIDED BY LAW OR BY ACTION OF THE HUMBOLDT COUNTY BOARD OF SUPERVISORS, ALL PURCHASES OF GOODS AND SERVICES REQUIRED BY ANY DEPARTMENT SHALL BE MADE ON BEHALF OF THE COUNTY BY OR UNDER THE DIRECTION OF THE PURCHASING AGENT IN ACCORDANCE WITH THIS POLICY.

No other persons are authorized to act as the County's Purchasing Agent, and vendors should protect themselves by asking for written confirmation of orders and awards.

1.3 Compliance with Laws

The Purchasing Agent shall comply with all applicable federal, State and County laws and policies. If federal or State laws, regulations, grants or other requirements vary from this Policy, such laws, regulations, grants or other requirements shall be followed. Should there be any conflict between this Policy and County ordinance, the County ordinance will govern. In cases where this Policy does not address a particular situation, the County Code and State Law including but not limited to the Government Code should be consulted.

1.4 Goals

The goals of the Purchasing Team include:

- maintain the integrity of the County's purchasing system;
- maximize the purchasing power of County funds;
- provide a uniform, County-wide purchasing system;
- assure fair and equitable treatment of people who interact with the County's purchasing system;
- dispose of surplus County property in accordance with State and County laws.

1.5 Purchasing Ethics

The Purchasing Team strives to promote the County's reputation of courtesy, fairness, impartiality, integrity, service, progressiveness, economy and government by law. All purchases by and for the County shall be made in accordance with the following principles:

- to give first consideration to the objectives and policies of the County;
- to obtain the maximum value for each dollar of expenditure;
- to conduct all activities in such a manner as to develop and maintain good public, vendor and internal relationships;
- to encourage fair and open competition by legitimate means, granting all competitive suppliers equal consideration insofar as federal, State and County regulations permit;
- to be free of any conflict of interest;
- to keep free from any personal obligations to vendors;
- to respect the authority given to the Purchasing Agent at all times and not use it for private advantage or gain;
- and to promote the goodwill of the County at all times.

1.6 Standardized Purchases

The Purchasing Agent is responsible for product standardization and service consolidation. The County has standardized many products, such as ergonomic furniture and personal computers.

The Purchasing Agent may organize one or more committees to assist him/her in establishing standards of type, design, quality or brand of purchases. He/she shall be the chair of any such committee, which may include the heads of departments which will utilize the materials or equipment to be purchased, or their representatives, and others concerned (Humboldt County Code §245-7).

Standards are subject to continuous review and are changed as conditions warrant. Suggestions for changes to existing standards, and suggestions for establishment of new standards, should be submitted to the Purchasing Team.

1.7 Availability of Funds

The Purchasing Agent has no responsibility to determine that funds are budgeted or available for any purchase for a County department or officer (Humboldt County Code §245-5). This responsibility shall belong to the department head or officer signing the proper documentation to initiate the purchase under the procedures detailed in Humboldt County Code §245-5.5.

1.8 Policy Revisions

The Purchasing Team shall be responsible for accurate maintenance and distribution of approved Policy revisions, and may issue procedures necessary to implement this Policy and/or any revisions to the Policy. Any addition, deletion or revision to this Policy shall not be effective until approved by the Board of Supervisors.

2.0 DUTIES OF PURCHASING AGENT FOR COUNTY DEPARTMENTS

(Humboldt County Code § 245-2)

2.1 General Duties

The Purchasing Agent shall:

- (a) Purchase for the County and its departments all materials, supplies, furnishings, equipment, livestock and other personal property.
- (b) Rent for the County and its departments all materials, supplies, furnishings, equipment, livestock and other personal property.
- (c) Engage independent contractors to perform services for the County and its departments, including the furnishing of materials, subject to statutory limits and procedures. Government Code Sections 31000 and 25502.3 authorize the purchasing agent to engage independent contractors to perform services for the county when the annual aggregate cost does not exceed \$50,000.00 plus any annual increase in the Consumer Price Index (Government Code §25502.3). **All references in this Purchasing Policy to this \$50,000 threshold shall incorporate this CPI adjustment. This adjusted CPI rate will be provided annually to all departments.** Additional details on CPI adjustments and notification are found in the *Humboldt County Purchasing Procedure for Departments*.
- (d) Sell or exchange any item of personal property declared surplus to County needs or he/she may, when purchasing personal property, accept advantageous trade-in allowances for county personal property which has scrap value of less than \$10,000.00 and which has been previously determined surplus.

- (e) Perform the above services for special districts organized under general law within the County and governed *ex officio* by the Board of Supervisors.
- (f) Make purchases and dispositions of personal property for other public officers or agencies pursuant to authority of law. This allows special districts to utilize County purchasing contracts.
- (g) Allow participation at their will by cities and other independent political subdivisions in continuing purchase contracts with the County, provided that this is permissible under the terms of said contract, and subject to such conditions as he/she deems necessary. Such necessary conditions may include the adoption by governing body and filing of a true copy with him/her of a resolution which requests the privilege of participating and provides that for the period of such participation the subdivision:
 - will make all purchases, for public use only;
 - will be responsible for payment directly to the vendor and for tax liability and will hold the County harmless therefrom;
 - has not and will not have in force any other contract for like purchases;
 - has not obtained and does not have under consideration written bids or quotations from other vendors for like purchases.

The Purchasing Agent may terminate any such participation on reasonable notice for willful violation of the terms of such resolution or other conditions, or if required to do so pursuant to the contract with the vendor.

- (h) May destroy or dispose of any written documentation received by the Purchasing Agent which is more than three years old. Such documents need not be photographed, reproduced, or microfilmed prior to destruction and no copy thereof need be retained. Purchase orders will be retained for a period of five (5) years, except those for purchases of fixed assets which will be retained for a period of ten (10) years.
- (i) Have control over procurement of personal property by one department from another, exclusive of documents.
- (j) Perform such other services as the Board of Supervisors requires.

2.2 Emergency Duties

Pursuant to Government Code §25502.7 and Humboldt County Code §245-2.5, whenever the Board of Supervisors has proclaimed a local emergency, the Purchasing Agent is authorized to engage independent contractors to perform services related to the local emergency for the County, with or without furnishing of materials, where the aggregate

cost does not exceed \$100,000.00. Purchases of \$100,000.01 and over require Board approval.

The Purchasing Agent will follow the informal bidding method Requests for Quotation (RFQ) (Section 8.2) to the extent that such is feasible under emergency circumstances.

2.3 Bidding Procedures

Except as required by law, the Purchasing Agent may make any purchase and/or rental of personal property or perform any other act hereunder without notice, advertisement or securing competitive bids. If the Purchasing Agent does call for competitive bids or quotations and accepts any bid or quotation other than the lowest on any individual item costing more than \$1,000.00, the basis for decision shall be documented in writing and retained by the Purchasing Agent for five years (Humboldt County Code §245-4/10).

3.0 CENTRAL PURCHASING; EXCEPTIONS

The Board of Supervisors has determined that the goods and/or services listed below may be purchased by the County officer or department head directly without authorization from the Purchasing Agent (Humboldt County Code §245-3):

- (a) Election supplies necessary for election-day procedures pursuant to Election Code §14100 and §14105;
- (b) Legal brief printing, transcripts and the like;
- (c) Road equipment rental that the County Road Commissioner is authorized by law to rent pursuant to Streets and Highways Code §2009;
- (d) Subscriptions to publications;
- (e) Public utility services and supplies including telephone or telecommunications services obtained through the County Communications Division of the County Administrative Office;
- (f) Common carrier transportation including freight carriers and delivery services;
- (g) Ordinary travel expense items;
- (h) Small value purchases of goods/materials not to exceed \$1,000.00. Emphasis shall be made to provide local vendors the opportunity to participate in the competitive procurement process and to be considered for small value purchases.
- (i) Emergency purchases of supplies, which shall be limited to those immediately necessary for protection from substantial hazard to life or property, or occasions when the Purchasing Agent or his/her designee is not accessible and the need is unforeseeable and immediate for continued operation of a County function. Every emergency purchase shall be promptly reported to the Purchasing Agent with the

facts constituting the emergency. Emergency purchases shall be subsequently approved and confirmed by the Purchasing Agent. If the Purchasing Agent refuses to confirm, the Board of Supervisors may subsequently approve and confirm the purchase. Unless purchases are approved and confirmed either by the Purchasing Agent or the Board of Supervisors, the cost is not a legal charge against the county;

(j) Professional memberships;

(k) Items exempt by law or by specific order by the Board of Supervisors.

4.0 BASIC SERVICES

Basic Services are services, other than professional services defined in Section 5.0, provided by independent contractors when the aggregate cost does not exceed \$50,000.00 and one or more of the following conditions exist:

- the work needed is urgent and cannot be met by County employees;
- the work in question is intermittent or irregular and cannot be performed by County employees.

A vendor service agreement or contract signed by the Purchasing Agent and/or his/her designee or a purchase order issued by the Purchasing Agent shall be used to contract basic services.

Examples of basic services include window washing, pest or extermination services, carpet cleaning, landscape maintenance, minor repainting or other routine, recurring, and usual maintenance work for the preservation or protection of any publically owned or leased facility (Public Contract Code §22002(d)) that cannot be performed by County employees.

5.0 PROFESSIONAL SERVICES

Professional services are defined as "special services" in Government Code §31000. The special services shall consist of services, advice, education or training for public entities or the employees thereof. Contracts that fall into this category are primarily financial, economic, accounting, engineering, legal, medical, therapeutic, administrative, architectural, airport or building security matters, or laundry or linen services. This definition does not include goods or maintenance of goods.

Professional services contracts for private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms must meet the requirements of Government Code §4526 (See Section 5.4).

Professional Services contracts must be documented as a signed written agreement between the County and the vendor, approved in form and content by County Counsel, Human Resources Risk Management, and signed by the Purchasing Agent or his/her designee or approved by the Board of Supervisors in accordance with the dollar values as described below. See Section 11.1.5 for Pre-approved as to Form contract guidelines. Contracts should

be generated by the County. Vendor contracts or jointly negotiated contracts may be used in special circumstances.

Signatory authorization for professional services is based on expenditure amounts as listed below:

5.1 Professional Services \$1,000.00 and under

Departments are required to confirm the availability of budgeted funds and submit the required documents for purchase order issuance (Section 10.1). Vendor agreement is not required, however if received, must be signed by the Purchasing Agent and/or his/her designee.

5.2 Professional Services greater than \$1,000.00, up to and including \$50,000.00

The Board of Supervisors has delegated its authority to contract for professional services to the Purchasing Agent or his/her designee in amounts up to and including \$50,000.00 provided that sufficient funds have been budgeted.

The Director of Public Works (or his/her designee on file with the Purchasing Agent) has authority to contract for professional services as it relates to Public Projects (Section 12.0) in amounts up to and including \$50,000.00 provided that sufficient funds have been budgeted.

It is the responsibility of the department head or his/her designee to exercise care to ensure that the vendor selected provides the service(s) and/or good(s) at a competitive price, that the vendor is selected in accordance with the purchasing ethics guideline described in Section 1.5 and the purchase follows the criteria described in Section 6.0. Departments may seek vendors using the Requests for Information (Section 6.9) or Requests for Proposal (Section 9.3) methods and may ask for assistance from the Purchasing Team.

Upon selection of vendor, Department will:

- negotiate terms of agreement for service and draw up agreement;
- route agreement to County Counsel for review;
- obtain original Contractor signatures. **Corporate parties require two signatures:** (1) the President, Vice President or Chair of Board and (2) another official such as Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer;
- route agreement through County Counsel and Human Resources Risk Management for final review and approval (see Section 11.1.5 Pre-Approved as to Form for routing exception);
- route agreements for public utility services, communications, and information technology (IT) through the County's Information Technology Director; and
- route to Purchasing Agent for signature.
- Public Works Professional Service Contracts as they relate to Public Projects may be signed by the Director of Public Works (or his/her designee on file with the Purchasing Agent) or by the Purchasing Agent (or his/her designee).

5.3 Professional Service Contracts over \$50,000.00

The Board of Supervisors approves professional service contracts over \$50,000.00.

It is the responsibility of the department head or his/her designee to exercise care to ensure that the vendor selected provides the service(s) and/or good(s) at a competitive price, that the vendor is selected in accordance with the ethics guidelines described in Section 1.5, and the purchase follows the criteria described in Section 6.0. Departments may seek vendors using the Requests for Information (Section 6.8) or Requests for Proposals (Section 9.3) methods. Public Works professional service exceptions follow Government Code §4526 for professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms (Section 5.4).

Upon selection of vendor, Department will:

- negotiate terms of agreement for service and draw up agreement;
- route agreement to County Counsel for review;
- obtain Contractor signatures. **Corporate parties must provide two signatures:** (1) the President, Vice President or Chair of Board and (2) another official such as Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer;
- route agreement through County Counsel and Human Resources Risk Management for final review and approval (see Section 11.1.5 Pre-Approved as to Form for routing exception);
- route agreements for public utility services, communications, and information technology (IT) purchases through the County's Information Technology Director.
- attach approved agreement with agenda item for Board review. Contracts may be signed by the Board Chairperson or the Board may delegate signature execution to the Purchasing Agent or Department Head;
- Board approved contracts that require the Purchasing Agent signature should have the agenda item attached to the contract when routing for signature.

5.4 Public Works Professional Service Exception Contracts over \$50,000.00

The Board of Supervisors approves Public Works professional service contracts over \$50,000.00.

Selection will involve procedures that assure these services are engaged on the basis of demonstrated competence and professional qualifications for the types of services to be performed and at fair and reasonable prices to the public agencies (Government Code §4526). Furthermore, these procedures shall assure maximum participation of small business firms, as defined by the State Director of General Services pursuant to Government Code §14837.

It is the responsibility of the Public works Department to:

- verify the availability of funds;
- create an agenda item for Requests for Quotation (Section 8.2) approval from the Board of Supervisors;
- evaluate responses, negotiate terms of agreement for service and draw up agreement;
- make a recommendation of award letter for Board approval;
- send Notice of Award to selected vendor to sign agreement and submit bond and insurance requirements as specified;
- route vendor signed agreement and all attachments through County Counsel, Human Resources Risk Management, Auditor and to the Board for Chair signature.

6.0 GUIDELINES TO DETERMINE APPLICABLE PURCHASE THRESHOLD

The total cost of goods and/or services, including any applicable taxes, freight, set-up, etc. is the criterion used to determine the appropriate purchasing method. The guidelines listed below provide assistance in determining the total cost of goods and/or services.

6.1 Division of Expenditures Prohibited

No one, either in the requesting department or the Purchasing Team, may divide purchase requests or contracting activities to circumvent any purchase threshold or competitive solicitation requirement. In addition, no department or employee shall draft or cause to be drafted any specifications in such a manner as to limit bidding directly or indirectly to any one specific vendor, or any specific brand, product, thing, or service unless the requirements of Sole Source apply (Section 6.7).

6.2 Items Used in Conjunction

If two or more items are designed or intended to be used in conjunction with each other, the total accumulated cost of all such items shall be considered together to determine which threshold applies. Departments cannot use a series of contracts in any fiscal year to fund a single service, project or program in order to circumvent the approval limits. Contracts shall not be intentionally split to avoid approval by the Board of Supervisors or to bypass competitive solicitation requirements.

6.3 Multiphase Projects

If the total overall objective of any specific project, over a fiscal year's time, is to be completed in phases, the total accumulated cost for all phases will be considered when determining which threshold applies. Departments should include an estimate of the dollar amount to be spent in the current fiscal year in the financial impact section of their agenda item.

6.4 Multi-Department Requirements

To the extent practical, the requirements of separate departments and divisions for the same goods or services will be considered together when determining which threshold applies.

6.5 Trade-Ins

The value of a trade-in will not be included when determining which threshold applies.

6.6 Contract Renewal

If any contract renewal term or provision would allow the total contract dollar amount to exceed any spending limitation of this policy or Government Code §25502.3, the contract must be approved by the Board of Supervisors.

6.7 Sole Source Purchases

Sole Source purchases are usually not permitted except under specifically defined, restricted circumstances. Sole Source is the purchase of goods and/or services where limitations on the source of supply, necessary restrictions in specifications or standardizations, quality considerations, or where it has been determined that the goods and/or services are reasonably available from one and only one vendor allows exception to the competitive process.

The burden of proof to justify Sole Source purchases is with the requestor who shall clearly state the main justification for Sole Source. Sole Source criteria may include special circumstances such as copyright restrictions, time constraints, geographic limitation, and/or staffing or expertise availability to perform the service.

6.8 Cooperative Purchases

A cooperative purchase is a purchase method by which the County acquires goods or services through an existing contract established with other government entities, usually the State. If a cooperative purchase agreement exists, it may be used in lieu of the County's competitive process if not in conflict with any other bidding requirements. The Purchasing Team will routinely monitor available cooperative opportunities.

6.9 Requests for Information (RFI)

If the department or Purchasing Team needs additional information about a product, material or service before seeking formal solicitations, the department or the Purchasing Team may issue a Request for Information (RFI). RFI's may be advertised in newspaper(s) of general circulation and are posted on the County website by the Purchasing Agent. RFI's do not require Board approval.

The RFI is a method used to solicit feedback on utilizing a product for a particular purpose or to elicit suggestions as to approach and methodology from outside vendors and/or contractors during the project-planning phase where product requirements, specifications and purchase options cannot clearly be defined. The information requested may take shape in a concept paper that is prepared and submitted to suggest a new or alternative approach to providing a particular service, or it may suggest innovative ways to respond to a special operating or technical requirement.

RFI formats can vary significantly depending upon the nature and focus of the solicitation. Generally, an RFI will include a summary of the operational or technical

issue that is to be addressed along with expectations in relation to the scope, length and timing of the feedback that is requested.

The RFI should explicitly state this is a non-binding solicitation that may or may not lead to a subsequent competitive process such as an Invitation to Bid or Request for Proposals. RFI's do not include requests for specific price quotations but may seek general information about pricing for possible approaches.

7.0 PURCHASES UP TO AND INCLUDING \$1,000.00

7.1 Department Authorization to Make Small Value Purchases

Departments are authorized to make purchases of goods and/or services up to and including \$1,000.00 (Humboldt County Code § 245-3(h)). The requesting department may obtain information from the Purchasing Team on negotiated contracts or available discounts in order to select an appropriate vendor. It is the responsibility of the department head or his/her designee to exercise care to ensure that the vendor selected provides the good(s) or service(s) at a competitive price, that the vendor is selected in accordance with the ethics guidelines described in Section 1.5, and the purchase follows the threshold calculation requirements described in Section 6.0. The department may seek competitive price quotes but is not required to provide three quotes.

7.2 County Credit Card

A County credit card is the preferred method of purchasing goods and/or services with a value up to and including \$1,000.00. The credit card is issued under the direction of the Purchasing Agent, in accordance with the CAL Card Credit Card Program adopted by the Board of Supervisors on June 16, 2009, and any successor provisions thereto, and is available to all County departments. Credit card purchases must follow the threshold calculation requirements described in Section 6.0.

Travel expenses are an exception to the \$1,000.00 dollar threshold. Upon request, spending limits are increased to accommodate travel expenses.

7.3 Petty Cash

Petty cash is a form of payment to a vendor for the purchase of miscellaneous goods and/or services, usually under \$50.00, utilizing departmental cash funds. Petty cash is reimbursable on a claim form with receipts through the Auditor's office.

8.0 PURCHASES \$1,000.01 UP TO AND INCLUDING \$50,000.00

8.1 Process Overview

County departments evaluate their needs for goods greater than \$1,000.00 following the threshold calculation requirements described in Section 6.0.

A successful purchase begins with planning and communication between the department and the Purchasing Team. The creation of documentation by the department authorizes the Purchasing Agent to make purchases on their behalf. The documentation must include

a complete description of the goods and/or services and include supporting information and suggested sources of supply.

Departments are required to confirm the availability of budgeted funds. Planned expenditures are submitted to and adopted by the Board of Supervisors during the annual budget process and will follow the purchasing process.

Departments contact vendors for information to price goods to gather operational or budgetary information and shall inform the vendors that the information is for planning purposes only. The department is required to demonstrate its vendor selection by providing three quotes or sole source explanation (Section 6.7) or cooperative purchase statement (Section 6.8). Department requests for acceptance of any quote other than the lowest price shall include reason documented in writing. Departments may request assistance from the Purchasing Team.

Departments shall contact and work with the Public Works Deputy Director of Facilities Management when a project improves County owned or leased property or for any other Public Project (See Section 12.0). Expenditure thresholds and bidding requirements will follow the Uniform Public Construction Cost Accounting Act (Public Contract Code § 22000, et seq.) "UPCCAA" and Title VII, Division 3, Chapter 1 of the Humboldt County Code, and thresholds will be posted annually by the Public Works Director.

- a. Pursuant to Public Contract Code §22002(d) "public project" does not include maintenance work. For purposes of this section, "maintenance work" may include but not limited to: Routine, recurring and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes.
- b. Minor repainting.
- c. Resurfacing of streets and highways at less than one inch.
- d. Landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems.
- e. Work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher.

The Purchasing Team reviews submitted documents to determine the complexity of the purchase and the most appropriate action required to complete it.

The purchase process required varies with the specifics of each request, and the time needed for the Purchasing Team to properly procure goods and/or services will depend upon the various characteristics of the goods and/or services to be purchased, as well as the thoroughness of the information provided.

It is the responsibility of the Purchasing Team to encourage vendor competition, select the most appropriate vendor, and obtain the best price.

8.2 Requests for Quotation (RFQ)

A Request for Quotation is an informal bidding method used by a department or the Purchasing Team to obtain goods and professional services of \$50,000.00 and under that can be clearly specified and awarded to the lowest responsible and responsive bidder. A response to an RFQ can be in the form of an oral or written quotation. Oral quotations shall be documented. Planned expenditures adopted by the Board of Supervisors during the annual budget process require Purchasing Agent authority to purchase. Unplanned expenditures must have Board approval prior to purchase.

Purchase of goods over \$1,000.00 up to and including \$50,000.00 will require appropriate documentation sent to the Purchasing Team. Award will result in the issuance of a purchase order (Section 10.1). The department will be required to demonstrate its vendor selection by providing three quotes or sole source explanation (Section 6.7) or cooperative purchase statement (Section 6.8). Department request for acceptance of any quote other than the lowest price shall include reasoning documented in writing.

The Purchasing Team will review all quotes and department information prior to securing the purchase. The purchase shall be made at the lowest total cost unless there are valid reasons not to do so. Any quotation accepted other than the lowest shall have the basis for the decision documented in writing and retained by the Purchasing Agent for five years (Humboldt County Code §245-4).

8.3 Requests for Proposals (RFP)

The Request for Proposals (RFP) is commonly used in soliciting contracts and is a method used when the County seeks not only the best cost for services, but also a proposed approach or methodology to accomplish the project goals. RFP's are used for goods and services over \$50,000.00 but may be used at any dollar threshold necessary to secure the best result for the County (See Section 9.3).

9.0 PURCHASES \$50,000.01 AND OVER (See Section 2.1(c) regarding CPI increases)

The Purchasing Team reviews documents from departments and considers the overall County need to seek cost savings through the competitive process. The competitive process is used to promote a system of standardization throughout the County to reduce the overall cost of buying and to seek values that offer the best combination of price, quality and service. The Purchasing Team shall employ a level of procedural formality determined by the anticipated cost of the prospective purchase and the availability of responsible and responsive suppliers to determine the appropriate purchase method.

Planned expenditures adopted by the Board of Supervisors during the annual budget process may now follow the bidding procedures outlined herein. Unplanned expenditures must have Board approval prior to submitting to Purchasing Team for purchase.

Competitive solicitation notices may be advertised in newspaper(s) of general circulation and are posted on the County website by the Purchasing Team, in the Purchasing office and sent to all established vendors as well as any that have expressed interest in doing business with the County.

9.1 Bidding Process Exceptions:

- a. Sole Source
(See Section 6.7)
- b. Cooperative Purchases
(See Section 6.8)

9.2 Invitations to Bid (ITB)

An Invitation to Bid is a formal bidding method used by the Purchasing Team in the sealed bid process to obtain goods and services of \$50,000.01 and over that can be clearly specified and awarded to the lowest responsible and responsive bidder. Award results in issuance of a purchase order (Section 10.1) or execution of contract (Section 11.0). ITB's may be advertised in newspaper(s) of general circulation and are posted on the County website by the Purchasing Team, in the Purchasing Office and sent to established vendors as well as any that have expressed interest in doing business with the County. ITB's shall comply with all applicable requirements of Federal, State and local law.

Additional guidance for the use of ITB's is found in the *Humboldt County Purchasing Procedure for Departments*.

9.2.1 Acceptance of Bids

Bids must be received prior to or at the time specified in the bid. Late bids shall not be considered and may be returned unopened to the vendor upon their request. If no bids are received, the purchase will be made at the sole discretion of the Purchasing Agent.

9.2.2 Public Bid Opening

A bid opening shall be held at the posted bid closing date, time and location in a manner reasonably accessible to all interested parties.

9.2.3 Deviation from Specifications

Pursuant to Humboldt County Code §245-4.5, the Purchasing Agent may allow an insubstantial or inconsequential deviation from prescribed specifications by the successful bidder, provided that:

- the bid substantially conforms to the ITB;
- the variance cannot have affected the amount of the bid;
- the bidder does not gain an advantage or benefit not allowed other bidders.

If the Purchasing Agent allows a deviation pursuant to this section, the basis for the decision shall be supported by written documentation and retained by the Purchasing Agent for five years (Humboldt County Code §245-10).

9.2.4 Bid Award

Award for an ITB uses the determination of the lowest total price (unit or extended) including any trade discounts, shipping and handling, assembly or installation, tax and including any applicable local preference. Prompt pay

discounts and discounts based on projected volume of business shall not be used to evaluate total price.

Evaluation of manufacturer specifications and technical data submitted with a bid may be used to determine efficiency which may be translated into cost. The ITB must state when price/performance evaluation will be used.

In the event that a single award cannot meet the bid requirements, a multiple award to two or more suppliers may be made. A multiple award shall not be made for the purpose of dividing the business or to provide a selection of products or suppliers to satisfy preferences instead of actual needs.

Award will result in the issuance of a purchase order or service agreement signed by the Board Chair or the Purchasing Agent.

9.2.5 Bid Protest

Any bid protest must be in writing and must be received by the Humboldt County Purchasing Agent, 825 5th Street, Eureka, CA, 95501 before 2:00 p.m. no later than three (3) working days following bid opening (the "Bid Protest Deadline") and must comply with the following requirements:

- a. Only a bidder who has actually submitted a Bid Proposal is eligible to submit a bid protest against another bidder. Subcontractors are not eligible to submit bid protests. A bidder may not rely on the bid protest submitted by another bidder, but must timely pursue its own protest.
- b. The bid protest must contain a complete statement of the basis for the protest and all supporting documentation. Material submitted after the Bid Protest Deadline will not be considered. The protest must refer to the specific portion or portions of the award upon which the protest is based. The protest must include the name, address and telephone number of the person representing the protesting bidder if different from the protesting bidder.
- c. The County Purchasing Agent will provide a copy of the protest and all supporting documents by or before the Bid Protest Deadline, to the protested bidder and any other bidder who has a reasonable prospect of receiving an award depending upon the outcome of the protest. A bid protest and any supporting documentation is a public record.
- d. The protested bidder may submit a written response to the protest, provided the response is received by Humboldt County Purchasing before 2:00 p.m., within two (2) working days after the Bid Protest Deadline (the "Response Deadline"). The response must include all supporting documentation. Material submitted after the Response Deadline will not be considered. The response must include the name,

address and telephone number of the person representing the protested bidder if different from the protested bidder.

- e. The procedure and time limits set forth in this section are mandatory and are the bidder's sole and exclusive remedy in the event of bid protest. The bidder's failure to comply with these procedures shall constitute a waiver of any right to further pursue a bid protest, including filing a Government Code Claim or initiation of legal proceedings.

9.2.6 Public Records and Trade Secrets

All bids and materials submitted become the property of the County and are subject to disclosure under the Public Records Act (Government Section 6250 *et seq.*). However, if prior to the award of a contract further negotiations are contemplated, the County must discern whether public disclosure should await the completion of the negotiations. In these circumstances the County must establish that the public interest in nondisclosure clearly outweighs the public's interest in disclosure (Government Code § 6255; *Michaelis, Montanari and Johnson v. Superior Court (Los Angeles)*, 38 Cal. 4th 1065 (2006)).

The bid and all responses are considered public information with the exception noted above and for trade secrets specifically identified, which will be handled according to state statutes or other laws. Any information that contains trade secrets shall be communicated to County by the bidder. Any page of the bid response that is deemed to be a trade secret by the bidder shall be clearly marked "PROPRIETARY INFORMATION" at the top of the page in at least one-half inch (1/2") size letters.

In the event that the County receives a request for disclosure of any such specifically identified information, prior to release of any such specifically identified information, the County will contact the bidder and will not release the specifically identified information if the proposer agrees to indemnify, defend, and hold harmless the County in any action brought to disclose such information. The bidder, by submitting such information, agrees that the failure of County to contact the proposer prior to the release of such information will not be a basis for liability by the County or any County employee to bidder. All ITB's shall contain this language related to trade secret/proprietary information.

9.3 Requests for Proposals (RFP)

The Request for Proposals (RFP) is commonly used in soliciting contracts and is a method used when the County seeks not only the best cost for services, but also a proposed approach or methodology to accomplish the project goals. Price is a factor but not the ultimate factor. The RFP is a document used in a sealed proposal process, which states the scope of work, terms and conditions, instructions for preparation, evaluation criteria, cost proposals, specifications, timelines, and contract type. An

RFP is publicly advertised and is awarded based on defined criteria. Award results in execution of a contract (Section 11.0).

RFP's are developed by the requesting department in consultation with the Purchasing Team or may be developed by the Purchasing Team when multiple departments are involved.

RFP's must be approved by County Counsel and the Purchasing Agent before an RFP is publicly advertised. RFP's may be advertised in newspaper(s) of general circulation and are posted on the County website by the Purchasing Team.

Additional guidance for the use of RFP's is found in the *Humboldt County Purchasing Procedure for Departments*.

9.3.1 RFP Information and Amendments

All proposers participating in a Request for Proposals shall be given information on the process. If it is determined that amendments to the RFP are necessary, addenda shall be given to all firms who received the RFP and posted to the Request for Proposals link on the County website. Alterations may include additional information, due date changes, etc. If a proposer has accessed RFP information solely from the County website and as such, the County is not aware of their interest in the RFP; such proposers shall be responsible for monitoring the County website or contacting staff to obtain all amendments or updates to the RFP.

9.3.2 Acceptance of Proposals

Proposals are to be received at the time and place specified in the RFP. All received proposals including those that are late shall be time stamped. Proposals are not publicly opened. Late proposals will not be considered.

9.3.3 Public Records and Trade Secrets

All proposals and materials submitted become the property of the County and are subject to disclosure under the Public Records Act (Government Section 6250 *et seq.*). However, if prior to the award of a contract further negotiations are contemplated, the County must discern whether public disclosure should await the completion of the negotiations. In these circumstances the County must establish that the public interest in nondisclosure clearly outweighs the public's interest in disclosure (Government Code § 6255; *Michaelis, Montanari and Johnson v. Superior Court (Los Angeles)*, 38 Cal. 4th 1065 (2006)).

The RFP and all responses are considered public information with the exception noted above and for trade secrets specifically identified, which will be handled according to state statutes or other laws. Any information that contains trade secrets shall be communicated to County by the proposer. Any page of the proposal that is deemed to be a trade secret by the proposer shall be clearly

marked "PROPRIETARY INFORMATION" at the top of the page in at least one-half inch (1/2") size letters.

In the event that the County receives a request for disclosure of any such specifically identified information, prior to release of any such specifically identified information, the County will contact the proposer and will not release the specifically identified information if the proposer agrees to indemnify, defend, and hold harmless the County in any action brought to disclose such information. The proposer, by submitting such information, agrees that the failure of County to contact the proposer prior to the release of such information will not be a basis for liability by the County or any County employee to proposer. All RFPs shall contain this language related to trade secret/proprietary information.

9.3.4 Selection of Evaluation Committees

Members of evaluation committees shall be selected based on their qualifications and appointed by the originator of the RFP.

9.3.5 Interviews

Interviews may be held to further explain proposals and to give proposers an opportunity to clarify their ability to meet the needs of the County more effectively. Interviews may be waived by the County.

9.3.6 Deviation from Specifications

Pursuant to Humboldt County Code §245-4.5, the Purchasing Agent may allow an insubstantial or inconsequential deviation from prescribed specifications provided that:

- the proposal substantially conforms to the request;
- the variance cannot have affected the amount of the proposal;
- the deviation does not provide an advantage or benefit not allowed other proposers.

If the Purchasing Agent allows a deviation, the basis for the decision shall be supported by written documentation and retained by the Purchasing Agent for five years (Humboldt County Code §245-10).

9.3.7 Award

A County evaluation committee reviews proposals and makes a recommendation for award.

Award when the cost is up to and including \$50,000.00 requires a vendor agreement or contract signed by the Purchasing Agent and/or his/her designee or a purchase order issued by the Purchasing Agent.

Award when the cost is over \$50,000.00 requires the Board of Supervisors approval using the agenda item process. The originator of the RFP compiles an award recommendation and submits it to the Board for approval. Upon receipt of

Board approval the originator of the RFP negotiates contract terms with the proposed award recipient and develops a final contract agreeable to both parties, routes contract for approval signatures and the final contract is implemented.

10.0 CONTRACTING METHODS AND DOCUMENTATION

Based on the information provided by departments, the Purchasing Team will use the most appropriate contracting method(s) while providing open and free competition to the maximum extent possible and complying with all applicable laws, rules and regulations. A complex purchase may require the issuance of a purchase order, as well as a contract, to complete the transaction.

10.1 Purchase Orders

A purchase order is a document that identifies a specific seller and authorizes a purchase transaction for goods (including recordable assets and fixed assets) and/or services by setting forth the description, quantity, price, discount, payment terms, date of performance or shipment, or other associated terms and conditions. It is a written document issued under the authority of the Purchasing Agent, and when accepted by the seller, becomes a contract binding both parties. The Purchasing Agent shall be responsible for determining if a proposed transaction is sufficiently simple to utilize a purchase order.

The Purchasing Team will assist departments with the enforcement of the terms and conditions of purchase orders.

10.2 Blanket Purchase Orders

A blanket purchase order is an open, written contract between the County and the vendor issued under the authority of the Purchasing Agent, authorizing the frequent and repetitive purchase of goods and/or services necessary to accommodate 24-hour, other critical services, and/or exceptions as agreed to by department and the Purchasing Team.

Blanket purchase orders exclude recordable and fixed asset purchases. Issuance and use of blanket purchase orders are under the sole discretion of the Purchasing Agent. A blanket purchase order is inappropriate if it will result in a violation of the purchasing thresholds of this policy.

10.3 County Credit Card

(See Section 7.2)

10.4 Contracts

(See Section 11.0)

11.0 CONTRACTS

Contracts, including personal property leases and professional service agreements, are legally binding agreements for the acquisition of goods and/or services. **All County contracts must be in writing and can only be signed by the Purchasing Agent or**

his/her designee; the Roads Commissioner as specified in state code; a person expressly delegated signatory authority by the Board of Supervisors or the Chair of the Board of Supervisors by action of the Board. A contract signed by a County employee without legal authority is not a legal charge against the County and may be the personal responsibility of the employee signing the contract.

No one has authority to create an oral contract for the County. The cost created by an oral contract is not a legal charge against the County.

Departments should allow ample time for the development of contracts as no work can commence prior to the execution of the contract. All amendments and/or contract renewals must be prepared with sufficient time to fully execute the amendment or renewal before the underlying contract expires.

11.1 Contract Types

The following list provides a summary description of the main types of County contracts. Departments may use this list to determine appropriate signatory authority and contract type for the proposed acquisition of goods or services.

11.1.1 Basic Services

(See Section 4.0)

11.1.2 Professional Services

A professional service contract is a written agreement between the County and the vendor authorizing personal and professional assistance for the performance of specific functions not handled by a County employee or County department.

(See Section 5.0)

11.1.3 Goods/Equipment Purchase or Rental/Lease

For the purchase of goods, the contract shall clearly define all the terms and conditions related to the purchase (Section 11.2.1).

For the purchase of equipment, the contract shall require acceptance testing to demonstrate that the equipment works to departmental satisfaction. The contract shall provide that, if the item does not meet the County's standards for operation, the vendor shall remove the equipment and return all amounts paid by the County.

The Purchasing Agent has the sole authority to enter into equipment rental and lease agreements except those administered by the County Road Commissioner in accordance with County Code §245-3 and pursuant to Streets and Highways Code §2009 wherein it states the commissioner may purchase, lease, or hire such equipment as may be necessary for County road purposes, in conformity with the budget and policies of the County with respect to purchases and rentals and subject to approval of the Board as to the price or rental.

County departments evaluate their needs for the rental or lease of new or used equipment such as moving trucks, copiers, etc. and commercially-available storage units. Departments contact the Purchasing Team to determine the appropriate method of acquisition.

The duration of equipment leases varies depending upon specifications and the nature of the equipment. Leases extend over a multiple-year period, at which time there can be the option to purchase, or the lease may be reevaluated during the rental term.

It is the department's responsibility to provide copies of rental/lease agreements and any associated fixed asset equipment purchases to the County Auditor's office for recording.

11.1.4. Real Property Leases

All real property leases are prepared by the Real Property Division of Public Works and go to the Board of Supervisors for signature and are not subject to this policy.

11.1.5 Pre-approved as to Form

Pre-approved as to form contracts may be developed by Departments. Pre-approved contracts are approved by County Counsel and Human Resources Risk Management as to form. The contracts are dated and shall be reviewed annually by County Counsel and Human Resources Risk Management for updates and revisions. No changes may be made to a pre-approved contract. Utilizing a pre-approved contract eliminates the routing to County Counsel and Human Resources Risk Management. Purchasing retains record of all pre-approved as to form contracts in place for the County. It is the responsibility of the initiating department to copy the Purchasing Team upon completion of their pre-approved contract. Pre-approved contracts will usually not be appropriate for use in contracting with other governmental bodies, including Tribal entities.

11.2 Development of Contracts

11.2.1 Basic Service/Goods and Equipment Contracts

Contracts for Basic Services or purchases of goods and equipment may be developed by the department or in collaboration with the Purchasing Team.

11.2.2 Professional Service Contracts

Contracts for professional services may be developed by the department. In order to efficiently develop and track each contract, each department must have a person(s) responsible for the administration of contracts. The Contract Administrator develops, coordinates reviews and is responsible for administrative procedures applicable to an approved contract and monitors the contract process.

A statement of work is part of a professional services contract, prepared by the department during negotiations with the consultant, which describes what the department wants the consultant to do or accomplish. The statement of work shall be included as an attachment and shall be a part of the service contract.

11.3 Approval and Administration of Contracts

Any contract may, and all contracts going to the Board of Supervisors for approval must, be reviewed by County Counsel and Human Resources Risk Management with the exception of pre-approved as to form contracts (see Section 11.1.5). Standard service contracts issued by the State or federal government are also excluded.

Approval of a contract by County Counsel means that it has been determined that the necessary clauses are included and that the contract is legally enforceable. County Counsel approval does not necessarily indicate that the contract contains all clauses which may be advisable, that the language clearly expresses the intent of the parties, or that the best deal has been negotiated. Concerns over issues of this type shall be raised by specific questions to County Counsel.

Human Resources Risk Management, with input from County Counsel, establishes standard language for the insurance provisions of all County contracts. Human Resources Risk Management must approve any modification of these standard insurance provisions. Contracts must be routed through Human Resources Risk Management for approval of the insurance provisions and insurance certificates.

Following the necessary review, the Contract Administrator shall arrange for the contract to be signed by all parties. **Obtain original contract(s) with Contractors signatures before routing for County representatives' signatures. Corporate parties must provide two signatures:** (1) the President, Vice President or Chair of Board and (2) another official such as Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer.

When the Chair of the Board of Supervisors' signature is necessary, the contract must be approved by the Board of Supervisors. This requires the department's Contract Administrator to prepare an agenda item and Board report. The required insurance certificates and the appropriate number of copies of the contract signed by the other party or parties must be included with the Board report.

Final approval of the contract by the Board of Supervisors or Purchasing Agent is required before commencement of the contract. **Work may not begin prior to execution of the required contract by all parties. Retroactive contracts are disfavored and will only be approved by the Board of Supervisors or Purchasing Agent if required due to special or unusual circumstances.**

The Contract Administrator is responsible for administration of the contract and ensuring that any required documents related to the contract, e.g., certificates of insurance, bonds, etc., remain in effect during the life of the contract. Renewals of relevant insurance certificates during the contract period will be provided to Human Resources Risk Management. In addition, each department shall use an internal procedure for tracking the progress of the work and the expiration date of the contract. Once signed, a copy of the contract must be forwarded to the Auditor's office for tracking purposes.

Departments shall also maintain documentation showing that the County's choice of contractor or vendor was fair and reasonable. These records shall be kept until the work is completed, but not less than five years.

County officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members.

11.4 Contract Changes

Any proposed change to the terms of an existing contract constitutes an amendment. All contract amendments must be made in writing and signed by persons authorized to execute the contract. The amendment must be signed by all parties prior to expiration of the contract. If the contract amendment changes the annual dollar amount to exceed any spending limitation of this policy or those set forth in Government Code §31000 and §25502.3, the amendment must be approved by the Board of Supervisors.

11.5 Contract Renewal

If any contract renewal term or provision would allow the total contract dollar amount to exceed any spending limitation of this policy or Government Code §25502.3, the contract must be approved by the Board of Supervisors.

12.0 PUBLIC PROJECTS

Departments shall contact and work with the Public Works Deputy Director of Facilities Management when a project alters or improves County owned or leased property.

A Public Project is defined by Public Contract Code §22002 and includes construction, reconstruction, erection, alteration, renovation, improvement, demolition, repair work and painting or repainting involving any publicly owned, leased, or operated facility. Public Projects have a definable component(s) that are attached to a building/facility and may include painting, HVAC equipment, paving, electrical, flooring, carpentry, plumbing and demolition. Not included are examples such as furniture, appliances, window coverings and throw rugs.

The dollar thresholds for the various procurement procedures for Public Projects are defined in the Uniform Public Construction Accounting Act UPCCAA and Title VII,

Division 3, Chapter 1 of the Humboldt County Code and will be posted annually by the Public Works Director.

Labor costs over \$1,000.00 require contracts to use and so state the use of prevailing wage. Labor costs that require contracts to use and so state the use of prevailing wage and require a certified payroll record to certify prevailing wages are paid will follow Labor Code §1776. The exception to the prevailing wage requirement is public works projects of \$1,000.00 or less. The definition of Public Project for determinations of prevailing wage requirements is found in Labor Code §1720 *et seq.* and is broader than that used for bidding requirements. Questions regarding the applicability of prevailing wage should be addressed to the Department of Public Works.

12.1 Public Projects \$1,200.00 and under

A Public Project is defined in Section 12.0 above.

Contracting method for this dollar threshold will be the Purchase Order process (Section 10.1).

12.2 Public Projects greater than \$1,200.00, up to and including the limit of Public Contract Code §22032 (currently \$45,000.00)

Public Projects greater than \$1,200.00, up to and including \$45,000.00 as defined in Section 12.0 above: Projects are building modifications and are charged to a fixed asset budget line item and recorded as fixed assets and tracked for capitalization. Project expenses shall include all associated charges from consultation through the completion of the work as well as any residual charges that may occur.

Contracting method for this dollar threshold requires a Public Works agreement negotiated and signed by the Director of Public Works (or his/her designee on file with the Purchasing Agent) or by the Purchasing Agent (or his/her designee). The Auditor's office is responsible for encumbering funds to the appropriate budget. The Public Works agreement administration will follow the procedures set forth in the Uniform Public Construction Accounting Act (UPCCAA) and Title VII, Division 3, Chapter 1 of the Humboldt County Code. Administration includes scope of work verification and contractor payment authorization.

12.3 Public Projects greater than negotiated procedure (currently \$45,000.00), up to and including the limit of Public Contract Code §22032 informal procedure (currently \$175,000.00)

Public Projects greater than \$45,000.00 (or any updated statutory limit of the Public Contract Code) up to and including \$175,000.00 (or any updated statutory limit of the Public Contract Code) as defined in Section 12.0 above: Projects are building modifications and are charged to a fixed asset budget line item and are recorded as fixed assets and tracked for capitalization. Project expenses shall include all associated charges from consultation through the completion of the work as well as any residual

charges that may occur. The Auditor's office is responsible for encumbering funds to the appropriate budget.

Contracting method for this dollar threshold requires a Public Works informal public bid contract and signed by the Director of Public Works (or his/her designee on file with the Purchasing Agent) or by the Purchasing Agent (or his/her designee). The Public Works agreement administration will follow the procedures set forth in the Uniform Public Construction Accounting Act and Title VII, Division 3, Chapter 1 of the Humboldt County Code. Administration includes scope of work verification and contractor payment authorization.

12.4 Public Projects greater than \$175,000.00

Public Projects greater than \$175,000.00 (or any updated statutory limit of the Public Contract Code) are Public Works Projects processed by the Public Works Department as set forth in the Uniform Public Construction Accounting Act (UPCCAA) and Title VII, Division 3, Chapter 1 of the Humboldt County Code and are not within the scope of this policy.

Contracting method requires a formal bid process resulting in a Public Works public bid contract approved by the Board of Supervisors. (The Auditor's office is responsible for encumbering funds to the appropriate budget in accordance with the Board approved contract.)

13.0 VENDOR RELATIONS

The Purchasing Agent is responsible for the integrity of the purchasing process by acting as primary intermediary between County departments and vendors, and is solely authorized to enter into accounts on behalf of the County. County employees should direct vendor inquiries regarding the possible sale of goods and/or services to the County, as well as inquiries concerning disputes related to the purchase of goods and/or services, to the Purchasing Team. Invoices from vendors will be sent to the Purchasing Team.

13.1 Local Vendors

Emphasis shall be made to provide local vendors the opportunity to participate in the competitive procurement process and to be considered for small value purchases (Humboldt County Code §245-3(h)).

13.2 Local Business Preference related to Formal Bids

The Local Business Preference will only apply to the acquisition of materials, equipment and supplies when valued at \$50,000.00 and up to and including \$100,000.00. This dollar threshold requires formal bid method Invitation to Bid (Section 9.2).

Service expenditures, response(s) to Requests for Proposal (Section 9.3), Requests for Information (Section 6.9) or any similar solicitation evaluated other than on the basis of cost and Public Projects (Section 12) are not included in this preference.

13.2.1 Definitions

a. Locally Operated Business

A legally formed and operated business, including but not limited to a sole proprietorship, partnership, or corporation, which has a Legitimate Business Presence in the County. In addition, the business must meet the criteria as set forth in subsections listed below:

- Vendor holds a valid seller's permit issued by the State Board of Equalization and a valid business license issued by the County and/or an incorporated city within the County;
- vendor has been in operation, transacting business in the County for a minimum of six (6) months prior to publication of the call for Formal Bids;
- vendor cannot be delinquent in the payment of any taxes, charges or assessments owing to the County;
- if subcontractors are used, vendor must only use subcontractors who meet the criteria listed herein;
- vendor has requested, completed, returned, and satisfied the requirements of a Locally Operated Business Affidavit of Eligibility;
- the Purchasing Agent is not responsible for a Local Business's failure to request, return or meet the requirements of a Local Business Preference Affidavit of Eligibility.

b. Legitimate Business Presence

The existence of one or more physical locations in the County whereat business is conducted and which is staffed by at least one (1) full-time employee or owner/operator.

c. Preference Credit

Shall mean that in considering bids by a Locally Operated Business, the County shall reduce any such bid amount by five percent (5%) when comparing any such bid amount to other bidders who are not a Locally Operated Business, provided that the amount of the Preference Credit shall not exceed five thousand dollars (\$5,000.00).

d. Exclusions

Exclusions include:

- any contracts where State or any superseding law renders the preference null and void;
- service contracts;
- bids which combine professional services with purchases of goods;
- agreements awarded by the Public Works Department;
- Public Projects.

Any person, firm, corporation or entity intentionally submitting false information to the County in an attempt to qualify for Local Business Preference shall be prohibited from bidding on County products for a period of one (1) year.

13.3 Contracting with Small, Minority, Women-Owned Business Enterprises

The County shall neither discriminate against, nor give preferential treatment to small, minority or women-owned businesses.

13.4 Disadvantaged Business Enterprises

For State and federally-funded projects that require a Disadvantaged Business Enterprise Program adopted by the Board, in accordance with State and federal law, the Disadvantaged Business Enterprise Program shall govern. The County may consult the Disabled Veterans Business Enterprise list for all competitive solicitations and grant-funded purchases.

13.5 Vendor Ethics

Vendors shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of the County. A vendor is deemed responsive and responsible when they have adequate financial resources to perform a contract, are able to comply with the associated legal or regulatory requirements, able to deliver according to contract schedule, have a history of satisfactory performance, have a good reputation regarding integrity, have or can obtain necessary data, equipment and facilities, and are otherwise eligible and qualified to receive an award if their bid is chosen.

13.6 Vendor Appointments

It is the responsibility of the Purchasing Team to communicate vendor opportunities to departments as they arise. Departments shall contact the Purchasing Team to obtain a list of known vendors.

13.7 Vendor Gifts

The County does not accept gifts of any kind that are offered by vendors, suppliers, or potential vendors and suppliers, no matter the value. Additional information can be found in County Conflict of Interest Code 12-77 dated September 25, 2012 and any successor provisions thereto.

13.8 Vendor Samples

When vendors offer samples for evaluation, they will be accepted on the condition that the sample is accepted as property of the County, is of a type presently in use or is of potential use to the County, is of relatively small value, and will be sent to the appropriate department for testing.

13.9 Vendor Product Demonstrations

The Purchasing Team shall arrange equipment demonstrations. Departments shall contact Purchasing if they are interested in reviewing new equipment. Whenever possible, such demonstrations will be consolidated to include all interested departments.

13.10 Vendor Rebates

When vendors selling goods to the County provide rebates in the form of a check, as a result of overall purchase volume, the checks will be deposited into the Central Service Fund. Rebates received for brand promotion shall be sent to Purchasing and will be applied to the originating department.

13.11 Nuclear Free Ordinance

All vendors shall be in compliance with the County's Nuclear Free Ordinance adopted by initiative in August, 1989.

14.0 ENVIRONMENTALLY PREFERABLE PURCHASES AND PRACTICES

All County departments shall use recycled products whenever practicable. Special emphasis shall be placed on the purchase of products manufactured with post-consumer recycled materials.

All County departments may, at their option and with Purchasing Agent concurrence, require procurement of designated recycled products or recycled products above the levels required by this policy.

The County shall require its contractors and consultants to use and specify recycled products in fulfilling contractual obligations whenever practicable.

The County shall promote the use of recycled products by publicizing its procurement policy whenever practicable.

The Purchasing Agent will establish a list of recycled products that shall be purchased by all County departments whenever practicable. Specifications of new products and their suggested uses will be made available to all County departments.

The Purchasing Team, to the extent financially viable, shall include environmental specifications in bid solicitations, advise departments of more environmentally preferable goods and/or services, identify ways to reduce waste, locate surplus and reuse programs to obtain low cost goods, encourage suppliers to make recyclable products available for purchase, and be mindful of websites and other resources related to environmentally preferable purchasing.

The Purchasing Agent is responsible for coordinating all County recycling efforts.

15.0 INSPECTION OF MERCHANDISE

Upon receipt of merchandise, the receiving department shall inspect all deliveries of goods and/or services, to insure their conformance with the specifications set forth in the purchase order or contract (Humboldt County Code §245-8).

Departments are responsible for keeping complete records showing the date of delivery, quantity delivered or services performed, and any discrepancies. Departments must contact the Purchasing Team to resolve discrepancies. Purchasing will contact the vendor, take appropriate action and maintain a record of the occurrence. No payments to the vendor shall be processed until the discrepancy is resolved.

The furnishing of contractual services will also be evaluated to insure conformance with the specifications set forth in the contract, and any nonconformance reported to the appropriate Contract Administrator.

16.0 RETURN OF MERCHANDISE

Except in emergencies as defined in Humboldt County Code §245-3 (i), no supplies, materials or equipment shall be returned to a vendor for trade, credit, or repair, or for any other reason without the approval of the Purchasing Agent (Humboldt County Code §245-9).

17.0 SURPLUS PERSONAL PROPERTY

The Purchasing Agent shall maintain a pool of extra equipment deemed useable and shall make it available to any department having a need.

The Purchasing Agent has the sole authority to dispose of personal property with an estimated value up to \$1,000.00 (Humboldt County Code §245-6). The disposition of items with an estimated value of greater than \$1,000.00 requires approval by the Board of Supervisors. Disposition may be by direct sale, auction, trade or by discarding valueless items. The cost of disposal will be considered in determining the best method for disposal. There is no bidding requirement, but the Board may request that bids be solicited.

The Purchasing Agent may sell and leaseback surplus personal property after published notice if such is approved by resolution of the Board of Supervisors which makes the finding that it "is the most economical means for providing such personal property to the County" (Government Code §25504.5).

17.1 Public Notice and Purchase of Advertising for Sales of Surplus Property

Notices of sale of surplus property by the Purchasing Agent shall be posted for at least five (5) business days preceding the day of sale in the County Courthouse and in the office of the Purchasing Agent.

In the disposition of surplus personal property, the Purchasing Agent may advertise the proposed sale or other disposition of the personal property pursuant to Government Code §25507 (Humboldt County Code §245-6).

17.2 Conflict of Interest

Officers, employees and elected officials may not bid on surplus property at a public auction conducted by the County if, in their official capacity, they in any way influenced the sale of such property, or if in purchasing such property, the officer or employee places themselves in such position as to subordinate their public duties to their private interests (Government Code §1090). To avoid the appearance of a conflict of interest, the sale of surplus property to an employee must be through a competitive process open to the public (Government Code §82048, 87100).

17.3 Surplus Personal Property Donations to Public Agencies

Pursuant to Humboldt County Code §245-6 and Government Code §25372, the Purchasing Agent has the sole authority to dispose of personal property with an estimated value up to \$1,000.00. The Purchasing Agent may donate said personal property to any public agency or organization exempt from taxation as defined:

- Organized for the care, teaching or training of children or developmentally-disabled children;
- organized for the care, teaching, or training of Native Americans;
- organized to provide health or human services;
- a school district or community college district;
- a county children and families commission.

17.4 Surplus Revenue

The revenue from the sale of general surplus personal property shall be deposited in the Central Services Fund. The revenue from the sale of specific or grant-funded surplus personal property purchases shall be deposited in the original fund.

18.0 INSPECTION OF PUBLIC RECORDS

All purchase records may be subject to disclosure under the Public Records Act Government Section 6250 *et seq.* with the exceptions noted herein (Section 9.2.6 and Section 9.3.3).

Records subject to disclosure by Purchasing shall be made available for inspection and/or copying within the time frames provided for by the Public Records Act. Public records may be viewed on County premises at no cost. If copies are requested, the requestor will be charged in accordance with the current County fee schedule.

19.0 RECORD RETENTION

(Humboldt County Code § 245-10)

The Purchasing Agent will maintain records as follows:

- Written purchase requisitions for a period of three (3) years (Government Code §25501.5);
- purchase orders will be retained for a period of five (5) years, except those for purchases of fixed assets which will be retained for a period of ten (10) years;
- written record of all competitive solicitations, including bid deviations pursuant to Humboldt County Code §245-4 and §245-4.5 will be maintained for a minimum of five (5) years; and
- written record of sales of surplus property will be maintained for a minimum of five (5) years.