



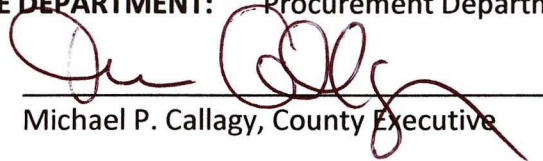
ADMINISTRATIVE MEMORANDUM
COUNTY OF SAN MATEO

NUMBER: B-1

SUBJECT: Soliciting, Selecting and Developing Agreements with Providers of Goods and Services

RESPONSIBLE DEPARTMENT: Procurement Department

APPROVED:


Michael P. Callagy, County Executive

DATE: July 1, 2025

I. PURPOSE

This Administrative Memorandum rescinds and replaces the prior version of Administrative Memorandum B-1 dated May 9, 2022. This version updates and clarifies County-wide procurement and contracting standards. The Department of Procurement (“Procurement”) is responsible for reviewing this Administrative Memorandum on an annual basis to ensure its contents continue to comply with the Board’s goals and best practices in procurement. This Administrative Memorandum is accompanied by the ~~Procurement Handbook~~, which provides more detailed guidance on procuring goods and services.

For more specific requirements regarding contracts for construction and public works, see County Ordinance Code Chapter 2.55 Procedures for Contracting for Public Projects and Administrative Memorandum B-21, Selection of Construction Contractors.

II. GENERAL PROVISIONS FOR ALL SOLICITATIONS

The goals of the County’s procurement policies are to deploy the County’s resources wisely, to obtain the best quality products and services, and to maintain the public trust by conducting County business with integrity, fairness, and transparency.

A. Procurement Ethics

Public employees are stewards of public funds and must ensure that expenditures of public funds, such as through the procurement and contracting process, occur in an ethical and responsible manner.

All procurements shall adhere to the County’s Procurement Ethics Policy (<https://www.smcgov.org/ceo/procurement-ethics>) and departmental ethics policies.

B. Competitive Solicitations

Full and open competitive procurement is the County’s preferred method of

procurement unless competition is infeasible due to an emergency or restricted availability of goods or services, or other circumstances exist that justify waivers of competitive requirements, as outlined in this Administrative Memorandum. Full and open competition means that all responsible parties are permitted to submit sealed bids or competitive proposals for the competitive solicitation.

C. Competitive Solicitation Types

Pursuant to a competitive solicitation, while purchase orders are generally awarded based on price alone, service contracts may be awarded based on price alone or on price and other relevant factors, which taken together are deemed to provide the best overall value to the County (i.e., “best value”).

D. Solicitation Process

1. Departments are required to follow solicitation procedures that have been approved by Procurement to ensure compliance with the County’s procurement policies and applicable laws and regulations, unless superseded by requirements of other applicable law or regulation. For requirements applicable to “public projects” (i.e., construction, reconstruction, erection, alteration, renovation, improvement, demolition, painting, and repair work involving any County-owned, leased, or operated facility), please refer to the Public Contract Code, San Mateo County Ordinance Code Chapter 2.55 Procedures for Contracting for Public Projects, and County of San Mateo Administrative Memo B-21 Selection of Construction Contractors.
2. All applicable solicitation requirements must be adhered to, unless a waiver of competitive requirements is allowed as described in this memorandum. Failure to adhere to these requirements may result in a cancellation of the solicitation process and the need to restart the applicable competitive procurement processes.
3. Solicitations may result in more than one contract. Individual solicitations that result in multiple contracts that in aggregate exceed \$200,000 require Board approval.
4. Procurements exceeding \$100,000 are required to follow the formal procurement requirements set forth below. Procurements exceeding \$100,000 shall not be split into several smaller solicitations or split into separate contracts over fiscal years to circumvent formal procurement requirements.
5. All solicitations must comply with Administrative Memo B-36 Indirect Cost Rate. Administrative Memo B-36 sets forth requirements regarding the derivation and documentation of indirect cost rates and requires that such rates be explicitly stated in any contract that includes payment for indirect costs.
6. All solicitations must comply with San Mateo County Ordinance Code Chapter 2.89 Procurement Preference for Local Business, if applicable, which sets forth requirements regarding procurement preference for local businesses.
7. Prior to and during the procurement process, no party competing for or expected to compete for award of a contract may be provided information that is not provided to other competing parties.

8. All solicitations must comply with County Ordinance Code Chapter 2.83.170 Conflict of Interest, which generally prohibits parties that were involved with the preparation of procurement documents from submitting a bid or proposal for a later phase of that project.

E. Coordination and Compliance with Other County Departments

1. Information Services Department (ISD) has established County standards and specifications for technology-related goods and services, departments are responsible for verifying that their solicitations conform to these standards and specifications, or alternatively, that the solicitations have been reviewed by ISD prior to release. ISD standards and specifications can be obtained from ISD.
2. Departments are responsible for obtaining approval for modifications or waivers of insurance requirements or Hold Harmless contract language from the County's Risk Management division.
3. Solicitations involving work on real property must be reviewed by Real Property Services if the property is leased, or the Department of Public Works if property is owned by the County.
4. Utilization of existing and previously competitively solicited contracts, cooperative (third party), or piggyback (within the County or with another governmental entity) agreements is encouraged to the extent that it is in the County's best interests. Due diligence must be conducted on the solicitation source documents to ensure they meet the procurement requirements of the County. Prior approval for the use of internal and external cooperative/piggyback agreements is required from Procurement in the County's designated procurement platform.

F. Minimum Content for All Solicitations

All solicitations, regardless of value, subject matter, or type of procurement, must include all information necessary to enable interested parties to describe how they would provide the requested goods and services and propose a price. In addition, at a minimum, solicitations over \$10,000 must include:

1. The County's objectives in issuing the solicitation.
2. A description of expected tasks and deliverables.
3. For solicitations of services, at least one proposed quality or outcome performance measure for service contract deliverables. Performance measures should be consistent with the County Executive Office's guidance.
4. All relevant information known to the County that would reasonably be considered likely to affect the contractor's performance or price.
5. A description of the process and timeline for reviewing responses and awarding a contract.
6. All solicitations must be scored, and scoring must be documented in the County's designated procurement platform. If an award will be based on best value, all relevant factors that will be considered in making the award and the relative importance of each must be stated in the solicitation. Relative

importance may be indicated by assigning values or “weights” to the chosen factors. Criteria not stated in the solicitation may not be considered. If an award will be based on price alone, that must be stated in the solicitation.

7. A pricing form or clear instructions on how pricing information is to be provided, so that competing offers may be easily compared.

G. Solicitation Procedures for Contracts Expected to be \$100,000 or Less

1. Instead of a formal solicitation, an informal solicitation may be conducted for goods and services expected to cost \$100,000 or less. “Informal solicitation” means a solicitation that does not require public notice or sealed responses but that may be conducted by requesting prices or proposals. Informal solicitations must be conducted in the County’s designated procurement platform.
2. Unless a waiver of competitive requirements is allowed as described in this memorandum informal solicitations must be sent to a sufficient number of potential providers to document the effort undertaken to receive at least three quotes or proposals. If three quotes or proposals are not received, the solicitation record must document the efforts made to obtain at least three. Alternatively, solicitations may be posted publicly on the County’s designated procurement platform for contracting opportunities, which will satisfy the requirement to obtain three quotes. Prior to the due date and time for response submission, proposals or quotes from a responding party may not be shared with other competing parties.
3. An approved informal solicitation method is the Request for Submission of Qualifications (RFSQ). The RFSQ is a solicitation method that is issued to obtain statements of qualifications from potential respondents. The focus of the solicitation should be the experience of the vendor(s) to fulfill the requested service. To use this solicitation method prior written approval is required from the Procurement Director or designee.

H. Solicitation Procedures for Purchases Expected to Exceed \$100,000

1. Unless a waiver of competitive requirements is allowed as described in this memorandum, if a contract is expected to exceed \$100,000, a formal solicitation must be issued. “Formal solicitation” means a solicitation that is publicly advertised and requires sealed responses. Formal solicitations must use standard County templates. Formal solicitations must be posted publicly on the County’s designated procurement platform.
2. Formal solicitations include price-based procurements, such as Invitations for Bids (IFBs), and best-value procurements, such as Requests for Proposals (RFPs), or other procurement mechanisms defined in the Procurement Handbook or otherwise approved by the Procurement Director or their designee. IFBs for goods are solely conducted by Procurement or with Procurement’s advance approval, prior to public posting of the IFB for goods. All supporting documentation for the IFB must be submitted in the County’s designated procurement platform and approved by the Procurement Director or their designee prior to the issuance of a purchase order.

3. RFPs for contracts expected to exceed \$500,000 must be reviewed by County Attorney's Office prior to release. RFPs for contracts expected to be \$500,000 or less may be sent for County Attorney's Office review at the department's discretion or at the request of a Deputy County Attorney.
4. In addition to the minimum content for all solicitations described in this memorandum, formal solicitations must also ensure a process that promotes full and open competition, and include the following:
 - a. A statement regarding the County's right to reject all submissions and not to enter into any contract.
 - b. A statement that the submissions are public records, and a description of the process that will be followed if copies are requested as public records.
 - c. A statement that the proposer has not been suspended or debarred from entering into contracts with any other government agencies due to misconduct or other reasons.
 - d. The method by which protests may be filed regarding the solicitation.
 - e. A complete scope of work, describing the County's business, functional, and technical requirements.
 - f. A form, sheet, or matrix for pricing to ensure that all interested parties are proposing prices in the same manner and submissions are comparative.
 - g. For solicitations for services, outcome or performance measures that will be used to evaluate a contractor's performance.
 - h. Best Value Procurement is the preferred method for competitive solicitations for professional services. If an award will be based on best value, all relevant factors that will be considered in making the award and the relative importance of each must be stated. Relative importance may be indicated by assigning values or "weights" to the chosen factors. The factors must include:
 - Experience of either the firm or the staff to be assigned to the project, or both, and a description of their experience with similar projects; and
 - The proposed methodology for meeting the County's needs, and if appropriate, the work plan and timeline for completing tasks and providing deliverables; and
 - Price, which must be worth at least 25% of the overall evaluation.

I. Approval and Award

1. Contracts may only be awarded to "responsive" and "responsible" contractors as those terms are defined below:
 - a. Bids or proposals are "responsive" if they meet requirements of the solicitation documents and comply with instructions and procedures set

forth in the documents. Minor irregularities may be waived if they cannot have affected the outcome of the solicitation, and the waiver has been authorized by the Procurement Director or their designee in the County's designated procurement platform.

- b. Bidders or proposers are "responsible" if they are trustworthy and possess the skills, resources, fitness, capacity, and experience to satisfactorily perform to the terms of the contract and have not been barred from any government contracts for prior misconduct. To confirm that a bidder or proposer has not been suspended or debarred from receiving federal funding, conduct a search at www.sam.gov. If the search returns no results, the best practice is to email the vendor to verify current standing pursuant to Section II.H.4.c. If a bidder or proposer is suspended or debarred from entering into contract with any other governmental entity, the County shall not contract with such proposer(s).
2. Price-based solicitations of any amount must be awarded to the responsive and responsible bidder offering the lowest price.
3. Service Contracts for \$200,000 or less must be approved and signed by the Department Head or designee of the department conducting the procurement and must follow formal solicitation procedures if the contract amount is above \$100,000. If the department is seeking to waive the competitive solicitation process, it must obtain approval from the Procurement Director or designee in the County's designated procurement platform. As noted in Section III.B.1. below, if the standard County contract is modified or not used, then written approval must be obtained by the department from the County Attorney's Office.
4. Service contracts exceeding \$200,000 require approval by the Board of Supervisors. Contracts must be reviewed by the County Attorney's Office prior to submission to the Clerk of the Board for Board of Supervisors' approval. If the department is seeking to waive the competitive solicitation process, it must first obtain a recommendation from the Procurement Director or designee in the County's designated procurement platform and note that recommendation, as well as the reasons therefore, in the memorandum to the Board. The Board must also approve the waiver of the competitive solicitation process in the resolution approving the contract.
5. Departments' contract and solicitation documents shall be saved into the County's designated procurement platform. These documents will be reviewed periodically by Procurement and the Controller's Office Internal Audit Division to ensure compliance with the County's solicitation and contracting policies and procedures. Departments that fail to follow such policies and procedures, including record-keeping requirements, may be required to conduct future solicitations through Procurement.

J. Tie Bids

Where the County's Procurement Preference for Local Business Ordinance applies to a procurement, the treatment of tie bids shall be governed by the applicable provisions of that Ordinance. Where the County's Procurement Preference for Local Business

Ordinance does not apply, but proposers include San Mateo County-based providers, in the case of tie bids, or in a best-value procurement, where the combination of price, quality, and terms are substantially equal, preference may be given to San Mateo County-based providers unless prohibited by applicable law or regulation. To qualify as a local business, the business must have a fixed location, not a post office box, within the geographical boundaries of San Mateo County. Where no local preference is applied and proposers do not include San Mateo County-based providers, in the event of a tie, a witnessed coin toss or other witnessed randomized method of selection may be used to break the tie.

K. Procurement Record

Departments shall maintain records for each procurement in the County's designated procurement platform, following procedures established by Procurement which will adhere to regulations governing records retention. The record must include a copy of the solicitation and all addenda issued, the name of the departmental individual responsible for the solicitation, all bids or proposals received, any modified or final offers, all evaluation documents including rating sheets, the reasons for final contract award (i.e., lowest price or other factors, verification that the price is fair and reasonable if award is not price-based), confirmation that no County employee with involvement in the procurement process has any relationships with potential vendors that could create conflicts of interest (i.e., completed Service Agreement Procurement Attestation forms), final executed contract and all amendments, and any other documents required by County policy. In a best-value procurement, if the County ultimately does not contract with the bidder that received the highest-ranking (e.g., the County is unable to successfully negotiate contract terms with the highest-ranking bidder), the record must include specific reasons explaining the County's decision to contract with the next-highest-ranking bidder. Procurement will review procurement records on a regular basis, and any department found to be out of compliance with record-keeping requirements may be required to conduct future solicitations through Procurement.

III. GENERAL PROVISIONS FOR ALL SERVICE CONTRACTS

A. Term of Service Contracts

1. The recommended term for County contracts is three years with the option to extend for up to an additional two years. If an option to extend is included, the pricing and other terms for the additional term shall be specified in the original contract. The standard term of a County contract shall not exceed five years. All contracts should include language that allows for the County to terminate the contract prior to the end of the term.
2. A contract term may exceed five years if it meets one or more of the following exceptions. The Procurement Director or their designee will evaluate all requests for exception to the five-year limit and will be the approving authority. These exceptions include:
 - a. When the funding source for a contract provides that the contract term must exceed five years. Such funding sources may include the State or Federal government or other outside grants.

- b. When a specific law, code, or regulation requires that a particular type of contract includes certain contract term(s) that exceed five years.
- c. Contracts for goods, which includes equipment, that have a lifespan that exceeds five years and the benefits to the County of exceeding a five-year term outweigh the benefits of creating and executing a new contract after five years.
- d. Contracts for software infrastructure, and the maintenance and support of that software, that have a lifespan exceeding five years and the benefits to the County of exceeding a five-year term outweigh the benefits of creating and executing a new contract after five years.
- e. Proprietary maintenance contracts.
- f. Contracts for project-specific professional services where the length of the project is expected to exceed five years.
- g. County revenue contracts that involve the lease of County property or services rendered by the County.
- h. Contracts with other government entities.
- i. When a department is otherwise able to justify that it is in the County's best interest to exceed the maximum five-year term requirement. Requests in this category will be evaluated by Procurement but will require approval from the County Executive Officer or designee.

B. Standard Service Contract Documents

1. Departments are required to use the standard County templates for all contracts regardless of dollar amount. If the standard County template is modified or if the contractor's contract form is utilized, then the department must obtain written approval from the County Attorney's Office regarding such template modifications or substitutions and Risk Management must approve all modifications of liability and insurance requirements.
2. All contracts must include all of the following terms in sufficient detail to be understood by someone not affiliated with the department.
 - a. The names of parties to the contract.
 - b. The term of the contract.
 - c. The contract value, and if applicable, rates upon which payment will be based.
 - d. Payment process.
 - e. Contract number that will be recorded in the County's accounting system.
 - f. A detailed scope of work that includes all tasks to be performed by each party.
 - g. For service contracts over \$10,000, at least one quality or outcome performance measure for service contract deliverables. Performance measures should be consistent with the County Executive Office's

guidance.

- h. For project-specific contracts, a description of deliverables and a schedule for project completion, including due dates of deliverables, or a description of how such a schedule will be developed. On-call or requirements type contracts provide this information and specific scopes of work in task orders or purchase orders.
- i. If the contract includes payment by the County for a contractor's indirect costs, the contract must comply with Administrative Memo B-36 Indirect Cost Rate. Administrative Memo B-36 sets forth requirements regarding the derivation and documentation of indirect cost rates and requires that such rates be explicitly stated in any contract that includes payment for indirect costs.

C. Service Contract Amendments

If an amendment causes a contract's total payment amount to exceed \$100,000 and a formal solicitation was not completed by the department, review and approval of the amendment request from the Procurement Director, or their designee is required. If an amendment to a contract causes the contract to exceed \$200,000, the amendment must be submitted for approval to the Board of Supervisors. Contract amendments shall not be used to circumvent solicitation requirements when a contract's total payment amount would be reasonably expected to exceed \$100,000.

D. Service Contract Administration

The department that conducted the procurement or amendment is responsible for administration of the resulting contract or contract amendment, which includes taking all necessary actions to facilitate payment to the contractor, obtaining signed W-9 forms from new contractors, distributing executed copies of agreements to contractors and the Controller, collecting appropriate insurance documents from the contractors, monitoring contractor performance and payment, ensuring full compliance with the terms and conditions of the contract, and completing annual contract performance reviews.

E. Service Contracts Awarded by Other County Departments/Agencies

Subject to approval by the Procurement Director or their designee, contracts awarded by other County departments or agencies through a competitive process can be utilized by other departments/agencies through a piggyback agreement. This requires that a new contract be executed with the same previously agreed upon terms, conditions, and pricing, unless otherwise approved by the Procurement Director or their designee.

F. Service Contracts Awarded by Other Entities

Subject to the approval of the Procurement Director or their designee and in compliance with applicable County requirements, contracts awarded by public agencies subject to a competitive process similar to the County of San Mateo's may be used, provided that the procurement has been or will be conducted in compliance with local law governing a public agency that is a party to the agreement and it meets the procurement requirements set forth in this memorandum.

G. Software Licenses/Subscriptions

Software licenses and subscriptions, including SaaS (software as a service) agreements, are treated as service agreements for purposes of this Administrative Memo and are therefore subject to applicable requirements, including Board approval for agreements exceeding \$200,000.

IV. WAIVERS OF COMPETITIVE REQUIREMENTS

A. Statement of Preference

1. The County's preferred method of procurement for goods and services is open and fair competition to help ensure the best value is received and that interested entities have an opportunity to be considered to provide goods and/or services to the County. There are instances where waivers of competitive requirements are warranted and in the best interest of the County. These circumstances are defined in this memorandum, and the Procurement Director or their designee is the approving authority for all waiver requests for contracts over \$10,000.

B. Sole Sourcing and Single Sourcing

Sole source and single source procurements should only be utilized when justified and necessary to meet the County's needs and when the procurement needs warrant award on a sole source or a single source basis. These requests are subject to approval by the Procurement Director or their designee for contracts over \$10,000 and must be supported by documentation of the due diligence performed that resulted in the need for a sole or single source procurement.

1. A sole source procurement is a sourcing method to procure a product or a service without competition when it has been determined that there is only one source for the required product or service that is capable of meeting the requirements of the acquisition as defined in the Scope of Work or the specifications. Sound procurement practice requires that a sole source procurement occur only if it has been determined that there is only one source for the required product or service and not as an attempt to contract with a favored service provider or for a favored product.
2. A single source procurement is a sourcing method used to procure a product or service from one source, without soliciting competition, even though there are other vendors that can provide the product or service. The County must determine and establish that a situation exists that makes the application of all requirements of competitive bidding or proposals impracticable or contrary to the public interest. The costs associated with a competitive bidding process is not sufficient to justify a single source procurement.

C. Emergencies

1. An emergency is defined as a sudden, unexpected occurrence posing a clear and imminent danger that will not permit delay that might result from a competitive procurement but requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. Potential loss of

funds, fiscal year closing, failure to plan, model changes, and similar inconveniences are not “emergencies” for the purposes of this Administrative Memorandum nor justification for non- competitive procurement.

2. The County’s competitive procurement requirements may be waived in the case of emergencies as follows, provided such purchases are documented as emergency purchases and approved as follows:
 - a. Greater than \$10,000 - \$200,000 - by either (i) the County Executive Officer or designee, or (ii) a department director or director’s designee and the County Procurement Director or their designee.
 - b. Exceeding \$200,000 - by the County Executive Officer or designee or by resolution of the Board of Supervisors, which may be provided retroactively.
3. If the County expects to seek Federal or State reimbursement for emergency expenditures, Federal or State procurement rules may supersede County rules and the procurement must be conducted in accordance with the applicable rules. If seeking Federal or State reimbursement for emergency expenditures, specific supporting documentation such as a non-competitive procurement justification and/or a cost-price analysis may be required from the County.
4. Once an emergency has passed, procurements undertaken to address the consequences of the emergency must comply with standard County procurement procedures.

D. Non-Emergency - Specific Grounds for Waiver

Competitive procurement requirements may be waived for the following specific goods and services:

1. Expert witnesses, legal defense, legal advice, or other legal services.
2. Agreements with other public entities, including governments, universities, schools, or other organizations acting as governmental agencies.
3. Agreements with third parties that were developed by another public entity when that third party was selected by the other public entity.
4. Development, administration, or use of licensing or proficiency testing examinations.
5. Items for testing or experiments to determine the suitability of the items for future use.
6. Maintenance agreements for \$200,000 or less per year, provided by the original seller, for equipment under documented warranty.
7. Replacement parts or components for equipment where there is no data or information available to ensure that parts or equipment provided by another supplier would be compatible with the existing equipment or would compromise safety or reliability of the product.
8. Maintenance agreements for software that has been procured by the County, including updates, upgrades, and necessary licenses.

9. Public entertainment for County-sponsored fairs and expositions.
10. Conference or meeting facilities, including room accommodations for conference attendees, not to exceed \$50,000.
11. Subscriptions to publications and databases, regardless of media format. This includes access to pre-existing proprietary research data but does not include performance of services such as consulting, advice, and research.
12. Memberships in professional organizations.
13. Personnel training for \$200,000 or less using pre-existing training courses that do not require development of training or other personal or consulting services.
14. Utility services obtained from a utility or a direct access provider.
15. Educational services from a not-for-profit organization.
16. Community service agreements with not-for-profit organizations that provide job training or transitional employment, when the agreements are for non-public works services.
17. Physician and urgent medical services.
18. In-patient hospital psychiatric services.
19. Subject to the restrictions on contracting requirements stated elsewhere in this memorandum, goods or services required for the well-being of a child for whom the County has responsibility, or which are required pursuant to a court order.
20. Child Welfare Services or Behavioral Health and Recovery Services with any qualified provider, including long-term locked facilities without specialized treatment programs, housing and related support services, and individual private mental-health services.
21. Services required for specific clients placed in out-of-county facilities by other agencies.
22. Mental health services in a school placement made by a school district and parents through the individualized education program.
23. Non-commissioned art, with preliminary approval from the Director of the Office of Arts and Culture and final approval from the County Executive Officer or designee.

E. Approval of non-competitive procurement of goods or services for \$10,000 or less

Staff shall perform due diligence and seek lowest cost or best value when procuring goods or services that are valued at \$10,000 or less. The County does encourage sourcing locally to the extent possible. This provision shall not be relied upon to conduct multiple purchases of \$10,000 or less from the same vendor in a manner that circumvents the competitive procurement requirements set forth herein.

F. Approval of non-competitive procurement of goods or services exceeding \$10,000

The Procurement Director or their designee may waive competition for goods or services up to \$200,000. Waiver of competitive requirements must be justified in a waiver request submitted by departments to the Procurement Director or

their designee for approval via the County's designated procurement platform and kept as part of the procurement record.

The following reasons are not sufficient to waive competitive requirements:

- a. Personal preference; or
- b. Specification of an item or service beyond minimum requirements of actual need; or
- c. Past use of a provider or supplier; or
- d. Failure to plan, impending loss of funds, or fiscal year close; or
- e. Desire to save time for a non-emergency procurement.

G. Approval of non-competitive contracts exceeding \$200,000

Waiver of the competitive process for the procurement of services exceeding \$200,000 requires both the approval of the Procurement Director utilizing the process outlined in this administrative memorandum and a resolution approved by the Board of Supervisors. Approval may be granted for one of the reasons stated in this memorandum or when it is otherwise determined to be in the best interest of the County. The resolution authorizing execution of the contract must also include a waiver of the competitive process. The specific reasons the waiver is in the best interest of the County must be stated in the recitals of the resolution, and the actual approval of the waiver of the competitive process should be stated in the "NOW THEREFORE IT IS HEREBY DETERMINED AND ORDERED" section of the resolution.

V. WAIVER OF CONTRACT PROCESS FOR TRANSACTIONS

A. Payment of invoices without executing a contract

Whether a provider of goods or services is selected competitively or not, departments may pay an invoice without executing a contract if:

1. The cost is under \$200,000 and it is for a subscription to a publication or database, or membership in an organization; this exception does not apply with respect to software subscriptions, or if the subscription or membership includes the provision of services; or
2. The cost for a one-time service or purchase of goods, within a specific "P" level budget unit, is for \$10,000 or less; or
3. The total cost of the original and any additional purchases from the same provider, within the same fiscal year, and within the same "P" level budget unit remains less than \$10,000, and the purchase:
 - a. Is a service considered low-risk, such as the repair of a machine; or
 - b. Is to respond to an emergency; or
 - c. Is urgently required for the well-being of a child; or
 - d. Could not be anticipated in advance.

B. County Executive Office Approval for Direct Payment of Invoices

All direct pays of invoices over \$10,000 require approval from the County Executive's Office.

C. Prohibitions on waiver of contract requirement

The requirement for a contract may not be waived under any of the following conditions:

1. Other County Administrative Memos or policies supersede Administrative Memo B-1 in this regard; or
2. A contract is required by State or Federal law; or
3. A contract is required as a condition of revenue or grant funding; or
4. The service requires any type of clearance or authorization of the provider such as fingerprinting or a background check; or
5. The service involves children, unless it is urgently required for the well-being of a child or is specified by court order; or
6. The service provider is required to maintain a license by a state licensing agency.

VI. OVERVIEW OF REVIEWING/APPROVING AUTHORITIES

A. Board of Supervisors

1. Approves service contracts exceeding the threshold set forth in California Government Code Section 25502.5.
2. Approves waiver of competitive process for the procurement of any services when such waiver is in the best interest of the County for service contracts exceeding the threshold set forth in California Government Code Section 25502.5.
3. Approves waiver or modification of the requirements for service contracts set forth in Chapter 2.84 (Equal Benefits and Non-Discrimination Enforcement), Chapter 2.85 (Contractor Employee Jury Service), Chapter 2.88 (Living Wage Pilot Program) or Chapter 2.89 (Procurement Preference for Local Business) of the County Ordinance Code for contracts exceeding the threshold set forth in California Government Code Section 25502.5.
4. Approves agreements in which the County provides services in exchange for financial or other consideration from a third party when such agreements exceed the threshold set forth in California Government Code Section 25502.5.

B. Department Head or Designee

1. Approves service contracts not exceeding the threshold set forth in California Government Code Section 25502.5¹ which result from best-value procurement, unless otherwise specified in this memorandum.

¹ The threshold set forth in Government Code Section 25502.5 is currently \$200,000.

2. Approves waiver or modification of the requirements for service contracts set forth in Chapter 2.84 (Equal Benefits and Non-Discrimination Enforcement), Chapter 2.85 (Contractor Employee Jury Service) or Chapter 2.88 (Living Wage Pilot Program) of the County Ordinance Code for contracts which do not exceed the threshold set forth in California Government Code Section 25502.5.
3. Approves revenue agreements in which the County provides services in exchange for financial or other consideration from a third party when such agreements do not exceed the threshold set forth in California Government Code Section 25502.5.
4. Monitors departmental contracts for compliance with terms and conditions and supplier performance. This includes maintaining performance metrics as required by this memorandum.

C. Procurement Department

1. With the County Executive and County Attorney's Office, develops, establishes, and ensures compliance with policies and procedures related to procurement.
2. Approves the waiver of competitive process for contracts over \$10,000 for reasons specified in this memorandum. When a service contract amount exceeds \$200,000, this approval is provisional and subject to Board approval.
3. Approves waiver or modification of the requirements for service contracts set forth in Chapter 2.89 Procurement Preference for Local Business of the County Ordinance Code. When the contract amount exceeds \$200,000, this approval is provisional and subject to Board approval.
4. Authorizes amendments that cause a contract's total payment amount to exceed \$100,000 if a formal solicitation was not completed by the department and the total payment amount does not exceed \$200,000.
5. Approves exceptions to the five-year maximum length for contracts for reasons specified in this memorandum.
6. Authorizes the use of internal and external cooperative/piggyback agreements.
7. Provides clarifications and interpretations of procurement rules and regulations.
8. Conducts periodic reviews of solicitations and contracts.
9. Develops, promulgates, and enforces procurement and contract management policies and procedures.
10. Develops and promulgates solicitation and contract templates with the assistance of the County Attorney's Office.
11. Authorizes contracts for multi-department use when \$200,000 or less resulting from best-value procurement.
12. Authorizes contracts resulting from price-based competition.
13. Issues and approves purchase orders for goods over \$10,000 with the sole exception of elections supplies, whereby supplies shall be procured by the County Clerk pursuant to Section 2.83.100 of the County Ordinance Code. The procurement of elections supplies is still subject to the County's competitive

solicitation processes.

14. Submits a quarterly report to the Board of Supervisors setting forth: 1) all County purchases of goods in the preceding quarter that exceeded \$100,000; and 2) all non-competitive County purchases of goods and services in the preceding quarter that exceeded \$10,000. The foregoing report will not include purchases that were separately approved by the Board of Supervisors.

D. Risk Management

Approves modifications to liability and insurance requirements.

E. Information Services Department

1. Reviews all solicitations and contracts involving IT related goods and services or affecting the County phone and data network for compliance with County IT standards.
2. For all service contracts reviews and approves all exceptions and waivers to security best practices and policies adopted by ISD.

F. County Attorney's Office

1. Reviews all service contracts (including contracts for software licenses and subscriptions) exceeding \$200,000.
2. Reviews all contracts that either modify or do not use County templates.
3. Reviews amendments to contracts that:
 - a. Bring the contract amount in excess of \$200,000, or
 - b. Modify any standard contract template language
4. Reviews all RFPs for work anticipated to exceed \$500,000, and may review any other RFPs at the departments or a Deputy County Attorney's request.

G. Real Property Services

Reviews solicitations and contracts involving the acquisition or disposition of real property, loans, or grants controlled by the County for the acquisition, disposition, or improvement of real property, use by County staff of real property owned or leased by others, use by others of County-owned or leased real property.

H. Department of Public Works

1. Reviews solicitations and contracts involving facilities work on County-owned buildings.
2. Reviews and administers certain public construction contracts per County Ordinance Code Chapter 2.55 Procedures for Contracting for Public Projects and Administrative Memorandum B-21, "Selection of Construction Contractors."