



## BOARD POLICY

Subject: **PURCHASING POLICY**  
**PROCUREMENT**

Established: February 21, 2018  
Revised: ~~September 22, 2021~~ **Nov 15, 2022**

~~**PURPOSE:** The SMCEC is committed to ensuring that ethical, efficient and accountable practices are used for sourcing, procuring and purchasing goods and services while striving to obtain the best value and quality for all SMCEC purchases.~~

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

### **STANDARD TERMS AND CONDITIONS**

Competitive procurement is the preferred method of procurement unless competition is infeasible due to an emergency, restricted availability of goods or services, or other extenuating circumstances that justify waivers of competitive requirements.

Procurement may not be split into several smaller solicitations or split into separate contracts over fiscal or calendar years to circumvent procurement requirements.

The standard base period for contracts is no more than three years. Contracts may include a provision allowing the Association to exercise an option to extend the contract period for up to two additional years (a total of five years) provided that the express terms for the extensions are agreed to and set forth in the contract.

### **COMPETITIVE SOLICITATION TYPES:**

Pursuant to a competitive solicitation, service contracts or purchase orders 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.

Prior to and during the procurement process, no party competing for or expected to complete for award of contract may be provided information that is not provided to other competing parties.

No party, or any spouse, relative, affiliate, or subsidiary of the party, may submit and bid or proposal or be awarded a contract if they have assisted in the development and management of procurement documents, or have provided plans, specifications, designs, evaluation criteria, or have otherwise influenced factors that may affect the selection of a contractor.

### **MINIMUM CONTENT FOR ALL SOLICITATIONS**

An informal solicitation may be conducted for goods and services expected to cost \$75,000 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 via e-mail.

Solicitations may be publicized by posting on the San Mateo County Fair's website under RFP's, which will satisfy the requirement to obtain three quotes. Prior to the due date and time for response submission, proposals or quotes from responding party may not be shared with other competing parties.



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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 \$5,000 must include:

- Objectives in issuing the solicitation
- A description of expected tasks and deliverables
- Estimated budget or budget range (for service solicitations only)
- All relevant information known that would reasonably be considered likely to affect the contractor's performance or price.
- A description of the process and timeline for reviewing responses and awarding a contract
- All criteria other than price that will be considered in awarding a contract. Criteria not stated in the solicitation may not be considered.
- If an award will be based in best value rather than lowest price, the solicitation must describe the method by which offers will be evaluated.
- A pricing form or clear instruction on how pricing information is to be provided, so that competing offers may be easily compared.

Contracts or purchases may only be awarded to "responsive": and "responsible" contractors as these terms are defined below

- Bids or proposals are "responsive" if they meet the requirements of the solicitation documents and comply with instructions and procedures set forth in the documents. Minor irregularities may be waived if they could not have affected the outcome of the solicitation.
- Bidders or proposers are "responsible" if they are trustworthy and possess the skills, resources, fitness, capacity, and experience to satisfactorily perform, and have not been barred from government contracts for prior misconduct.

### **WAIVERS OF COMPETITIVE REQUIREMENTS:**

#### **Emergencies**

- 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 required 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" nor justification for non-competitive procurement.
- Competitive procurement requirements may be waived in the case of emergencies, provided such purchases are identified and recorded as emergency purchases and the emergency justification is documented.



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- Once an emergency has passed, procurements undertaken to address the consequences of the emergency must comply with standard procurement procedures.

### Non-Emergency – Specific Exemptions

- Expert witnesses, legal defense, legal advice, or other legal services
- Agreements with public entities, including governments, universities, schools or other organizations acting as governmental agencies, including joint powers authorities.
- Development, administration, or use of licensing or proficiency testing examinations
- Items for testing or experiments to determine the suitability of the items for future use
- Maintenance agreements for \$75,000 or less per year, provided by the original seller, for equipment under documented warranty.
- Entertainment Contracts
- Subscriptions, regardless of media format
- Memberships in professional organizations
- Personnel training for \$75,000 or less using pre-existing training courses that do not require development of training or other personal or consulting services.
- Utility services obtained from a utility or direct access provider
- Educational services from a not-for-profit organization

### Non-Emergency – General Exemptions

- They are proprietary or are only available from a single source
- Continuation of an ongoing service or project
- Required at a specific location and there is no economically feasible alternative within a reasonable distance.
- They have unique performance factors
- They are additions to, must conform to, or will become part of existing products or equipment, such as replacement parts



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- They are offered at a substantial discount below current market conditions and prices, taking into account both the initial purchase price as well as ongoing expenses

The CEO may waive competition for services up to \$75,000 for the above reasons. The Board of Directors may waive competition for services up to \$200,000 for the above reasons. Waiver of competitive requirements must be justified in a written document that is kept as part of the procurement record.

The waiver must include a specific exemption, or a justification of the waiver must be provided, which includes at a minimum, the following

- The salient and unique factors that are unavailable from any other source
- The reasons those factors are required
- Substitutes or other products or sources that were considered and rejected and why
- A Statement that the price has been verified as fair and reasonable

The following reasons are not sufficient to waive competitive requirements:

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

### GUIDELINES:

#### PURCHASING THRESHOLDS

Purchasing thresholds described below do not include tax and shipping on purchases.

##### Under \$1,000.00

Department managers can approve budgeted purchases for their department of \$1,000 and under without further advance approval. Informal quotes are encouraged to obtain the best value for the SMCEC. A purchase order is to be prepared by the manager and submitted to accounting with proper backup documentation for all purchases.

##### \$1000.01 - \$5,000.00

Three informal written quotes should be obtained whenever possible; or other documentation to show the best value was obtained for the SMCEC. A purchase order is to be prepared by the Department Manager and submitted to the CEO, or Controller in his/her absence, for approval prior to the commitment of funds. ~~The CEO will return the signed P.O. to requestor. Requestor will make the purchase and submit P.O. to~~



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~~Accounting for processing.~~ A purchase order shall be approved by the Controller. Requestor will make the purchase. Accounting will follow established procedures to pay the invoice/contract after delivery of goods/services.

### \$5,000.01 - \$25,000.00

Three written quotes will be obtained. A purchase order is to be prepared by the Department Manager and submitted to the CEO, ~~or Controller in his/her absence~~, for approval prior to the commitment of funds. ~~The CEO will return the signed P.O. to requestor. Requestor will make the purchase and submit P.O. to Accounting for processing.~~ Requestor will make the purchase after approval from CEO. Accounting will follow established procedures to pay the invoice/contract after delivery of goods/services.

### \$5,000.01 --\$75,000

The CEO will inform the Board President of all unbudgeted purchases exceeding \$75,000. The CEO is authorized to approve all non-budgeted purchases up to \$75,000 without Board Approval. ~~Items over \$5,000 require Three written quotes.~~ A purchase order is to be prepared by the Department Manager and submitted to the CEO, ~~or Controller in his/her absence~~, for approval prior to the commitment of funds. ~~The CEO will return the signed P.O. to requestor. Requestor will make the purchase and submit P.O. to Accounting for processing.~~ A purchase order shall be approved by the CEO. Requestor will make the purchase. Accounting will follow established procedures to pay the invoice/contract after delivery of goods/services.

### \$75,000 and above

Purchases of \$75,000 and above will go through the RFP process and will require Board approval. **Unless the purchase qualifies for a waiver and is documented as such.**

### DEFINITION OF "PURCHASE"

A purchase is defined as an expenditure not previously approved by the Board under the then-current budget, through a transaction involving: a) a single service or set of related services supplied by a single entity; or b) a single product or group of related products supplied by a single entity; or c) a combination of related products and services supplied by a single entity. Reimbursable expenses are excluded from this policy.

### CREDIT CARD PURCHASES

SMCEC credit cards are to be used for authorized purchases or approved travel expenses and all requirements for purchases must be followed. **Credit cards are not to be used for re-occurring large charges. Check with the Controller to establish ACH Payments or credit accounts for this type of purchase.**