

BOARD OF SUPERVISORS

Barbara Kondylis (Dist. 1), Chairwoman
(707) 553-5363
John M. Vasquez (Dist. 4), Vice-Chairman
(707) 784-6129
John F. Silva (Dist. 2)
(707) 553-5364
Duane Kromm (Dist. 3)
(707) 784-6136
Mike Reagan (Dist. 5)
(707) 784-6130



County Administrator
MICHAEL D. JOHNSON
(707) 784-6100
Fax (707) 784-6665

675 Texas Street, Suite 6500
Fairfield, California 94533-6342
<http://www.co.solano.ca.us>

August 9, 2005

The Honorable Peter B. Foor, Presiding Judge
Superior Court of the County of Solano
Hall of Justice
530 Union Avenue
Fairfield, CA 94533

Dear Judge Foor:

The Board of Supervisors is in receipt of the 2004/2005 Grand Jury Final Report "SOLANO COUNTY & CITIES: PURCHASING AND PROCUREMENT PROCEDURES" and is providing responses to the findings and recommendations as requested in the Grand Jury's report.

The Board appreciates the effort expended by the Grand Jury in their review of the Purchasing and Procurement services of the County. The Board's response follows the Department's responses previously provided directly to the Court.

Sincerely,

Barbara Kondylis
Chairwoman

Attachment

PURCHASING AND PROCUREMENT PROCEDURES

Finding #1 – On July 27, 2004, Solano County replaced their Purchasing Policy Manual with the Purchasing and Contracting Policy Manual. The purpose was to ensure that both current laws and Board policy were in line with the County's administrative practices and policies, to standardize the purchasing process and document contracting policies to be more user-friendly for all departments; to promote and improve departmental accountability, and to provide greater efficiencies in contracting and purchasing goods and services.

Department Response to Finding #1: Solano County General Services agrees with this finding.

Recommendation to Finding #1 – None

Department Response to Recommendation #1 – None

Solano County Board of Supervisors Response: The Board concurs with the Department of General Services' response and further clarifies, that the ordinance approving the purchasing and contract policies was introduced on July 27, 2004 with final adoption occurring August 10, 2004 and effective on September 10, 2004.

Finding #2 – The Solano County Board of Supervisors assigned the County Administrator as the purchasing agent. The purchasing agent has the authority to approve professional/consultant services up to \$50,000 and for the purchase of goods up to \$100,000. Professional/consultant and purchase of goods beyond this amount requires Board of Supervisor approval.

Response to Finding #2: Solano County General Services partially agrees with this finding.

Solano County Board of Supervisors has authorized the Purchasing Agent to approve professional/consultant services and the purchase of goods up to \$50,000. Professional/consultant and purchase of goods beyond this amount requires Board of Supervisor approval.

Government Code 25502.5 allows the Board of Supervisors "in counties having a population of 200,000 or more to authorize the purchasing agent to engage independent contractors to perform services for the county or county officers, with or without the furnishing of material, when the aggregate cost does not exceed one hundred thousand dollars (\$100,000)." (Authority – Government Code Section 25500 et.seq.).

Recommendation to Finding # 2 – None

Department Response to Recommendation #2 – None

Solano County Board of Supervisors Response: The Board of Supervisors concurs with the Department's response.

Finding #3 – The County Administrator has delegated purchasing authority to the General Services Department which is administered by Purchasing Services within the department. Within the Purchasing and Contracting Policy Manual are guidelines for the bid process. The amount of the bid determines which procedure is to be used.

- a. Formal Bid Process. When the estimated bid amount is \$25,000 or more, the requested county department submits specifications to Purchasing Services. Purchasing Services prepares Requests for Proposals (RFP's) that include specifications, requirements and timelines. RFP's are advertised in print media and County webpage. Any change or alteration to announced RFP's is strictly limited. Every effort is made to solicit no less than five bids. Bids are due and opened on the specified days and awarded in the Purchasing Services office. The formal bid process can be waived in such categories as emergency purchases, various services (advertising, insurance, utilities, travel), expert/professional services and sole source commodity or service.
- b. Informal Bid Process – For purchases between \$10,000 and \$25,000, all procedures remain the same except that Purchasing Services solicits no less than three quotes from bidders. This may take place by way of RFP's or by telephone solicitation.
- c. Procedures for purchases between \$5,000 and \$10,000 are at the discretion of Purchasing Services or the initiating department.
- d. Procedures for purchases less than \$5,000 are at the discretion of the relevant county department, usually through a purchase order procedure.

Department's Response to Finding #3: Solano County General Services partially agrees this finding.

Clarification is provided for the following: By definition, a Request for Proposal (RFP) is formal and is solicited as a competitive sealed proposal. Informal bids are not obtained through the RFP process regardless of the value. Informal bids may be by written quotation or verbal telephone quotation. Items that are fixed or controlled assets (i.e., computers & software), service contracts and maintenance agreements are exempted from departmental discretion. These purchases must continue to go through Purchasing Services regardless of their dollar value.

Recommendation #3a – All qualified vendors should be notified of formal and informal RFP's.

Response to Recommendation #3a – General Services agrees with this recommendation. Qualified vendors for bid solicitation are typically provided by departments initializing the RFP. In addition to the specific lists provided, Purchasing

Services maintains a database of vendors who have applied through Vendor Application, or have specifically requested to receive a bid package for the solicited commodity and/or service.

Recommendation #3b – The Grand Jury recognizes that there are situations where competitive bidding is not necessary or appropriate, as allowed for in Section 2.11 of the County's Purchasing and Contracting Policy Manual. However, the Grand Jury recommends that the Board of Supervisors, Purchasing Agent (County Administrator) and Department Heads use this exception as infrequently as possible, and only when the reasons for bypassing competitive bidding are clearly documented.

Department Response to Recommendation #3b – General Services agrees with this Recommendation. Purchasing Services does not practice sole sourcing unless significant justification is provided by departments (as defined in the *Purchasing & Contracting Policy Manual*). This justification must be in letter or memo format and have an original signature of an authorized representative of the originating department. Sole source contracts are used for expert and professional services, where the exercise of discretion and independent judgment and/or an advanced, specialized type of knowledge, expertise or training such as accountants, physicians, social services consultants, labor consultants, investigators, lobbyists, attorneys, architects, surveyors and engineers, are needed. Sole source contracts are justified in sufficient detail to explain the basis for suspending the usual competitive procurement process. The justification letters/memos are attached to the purchase requisition and kept on file in the Purchasing Services office.

Solano County Board of Supervisor's Response: The Board concurs with the Department's response in regard to the implementation of the policy by the Purchasing Services Division. The Board's policy directs the Purchasing Agent and Department Heads to negotiate the best price on services and supplies for the purchases that are exempt from competitive bidding. These minimal types of exceptions are specifically outlined in Section 2.11 of the Policy Manual. All Department purchases over \$5,000 are reviewed by the Purchasing Agent to ensure that this policy is implemented.

Finding #4 – The County solicits bids from a vendor's database. The list is established by business owners contacting the County and providing information about goods and services that they are able to provide.

Department Response to Finding #4 – General Services agrees with this Finding.

Recommendation #4 – Include on the County General Services webpage the "Doing Business in Solano County" form for vendors to input their business information so that a current and accurate database will be in place for mailing procedure and available goods and services.

Department Response to Recommendation #4 – General Services agrees with this recommendation. Currently, there is a Vendor Registration form on the web page for

vendors to input their business information.. There are also instructions as to how a vendor may submit their information to Purchasing Services.

Solano County Board of Supervisor's Response: The Board concurs with the Department's response.

Finding #5 – Since the formal and sometimes informal bid process is time sensitive, ordinary mail may not be the most suitable method for vendors to correspond with bid materials. In the case of the complaint, the complainant had four different addresses on file with the county. Additionally, no mailing address was specified on letter head or business card as both contained the street and post office box number. The county sent bid documents to the correct address; however, the packet became mutilated and was not delivered.

Department Response to Finding #5 - General Services agrees with this Finding.

Recommendation #5 – It would be in the best interest of vendors to insure all bid documents have been properly received by Purchasing Services. Certified mail (signature required) direct mail services or hand delivered bids are recommended. Vendors should regularly verify their business information recorded on the County information data base by contacting Purchasing Services.

Department Response to Recommendation #5 – General Services agrees with this Recommendation. Purchasing Services will immediately include the following statement to the template language of all bid related documents, "It is the County's recommendation that the delivery method chosen require a receipt confirmation signature, i.e, certified mail, FedEx, DHL, etc."

Solano County Board of Supervisor's Response: The Board Concurs with the Department's response.