

GENERAL SERVICES DEPARTMENT

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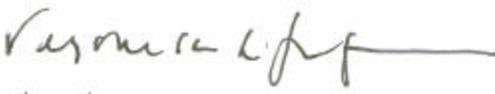
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DATE: JULY 19, 2005

TO: The Honorable Peter Foor,
Presiding Judge, Superior Court
c/o Superior Court Executive Office/Clerk of the Court

FROM: Veronica Ferguson 
Director
General Services Department

SUBJ: **RESPONSE TO THE SOLANO COUNTY & CITIES: PURCHASING
AND PROCUREMENT PROCEDURES 2004-2005 GRAND JURY
REPORT**

I wish to personally thank the Grand Jury for its constructive comments. The General Services staff and I have reviewed the findings and recommendations made by the 2004-2005 Grand Jury in the Solano County & Cities: Purchasing and Procurement Procedures report.

The following information is provided in response to the information contained therein. If any additional information or assistance relative to General Services' response is needed, please let me know.

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.

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

Recommendation to Finding #1 – None

Response to Recommendation #1 – None

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 agrees with this finding.

Recommendation to Finding # 2 – None

Response to Recommendation #2 – None

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.**

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.

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.

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.

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.

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.

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.

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.

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.”