Purchasing / Procurement

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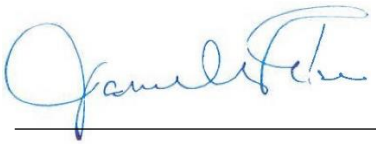
Document Owner's Approval:	 Janelle Folse, Chief Financial Officer		
Executive Director's Approval:	 Kristin Bonner, MHA, BSN, RN, Executive Director		
Board Chairman Approval:	 Bryan Zeringue, Chairman		

Policy Statement:
South Central Louisiana Human Services Authority (SCLHSA) shall implement sound procurement practices in accordance with executive policy and legislative mandates for acquiring goods and services needed to provide quality and timely services to the SCLHSA.

Responsibility of SCLHSA Fiscal Purchasing Section

- The Procurement Manager is the primary representative in all matter pertaining to purchasing for SCLHSA including invoice disputes,
- Requests for prices and purchases will be made by the SCLHSA Procurement Manager except for those items delegated by the Procurement Manager to others,
- The Fiscal Section may question the quality, quantity, and kinds of material requisitioned in order to best serve the interest of SCLHSA,
- The Procurement Manager will strive to maintain a strong, professional relationship with vendors of proven ability, and those who exhibit a willingness to meet the needs of the SCLHSA in a responsible manner,
- While affording all qualified vendors an equal opportunity to bid, SCLHSA will seek to purchase only from vendors who have adequate financial strength, high ethical standards, and a record of adhering to specifications, maintaining shipping schedules, and giving a full measure of service.
- The Procurement Manager will ensure proper insurance and proof is secured from the vendor for any order issued involving labor. Insurance requirements are defined by the DOA Office of State Procurement (OSP). The Procurement Manager will also verify proper licensure/certification requirements appropriate to the job being performed.
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Types of Purchases

A. Materials, Supplies, Equipment and Services

1. Purchases Requiring No Quote (up to $10,000)
   Purchases of all types, up to $10,000, may be made without obtaining competitive quotations. However the Procurement Manager will be responsible for periodic checks of pricing on items to determine typical price ranges or if purchasing an unfamiliar item.
2. Purchases Requiring Informal Quote ($10,001 - $20,000)
   Purchases of all types from $10,001 to $20,000 may be made after securing no less than three (3) telephone, facsimile or email quotes. The Procurement Manager has the responsibility of securing these quotes and presenting to the Executive Director and Chief Financial Officer for review and approval to proceed with award to the chosen vendor.
3. Purchases Requiring Formal Quote ($20,001 - $30,000)
   Written or facsimile quotes shall be solicited from a minimum of five (5) vendors for purchases with anticipated costs between $20,001 and $30,000. The Procurement Manager will be responsible for developing the written bid specifications with input from the requesting Division then presenting to the Executive Director and Chief Financial Officer for review and approval to proceed with solicitation. Such solicitations shall give vendors a minimum of five (5) days in which to respond. The Procurement Manager shall present the responses to the Executive Director and Chief Financial Officer for review and approval.
4. Purchases of $30,001 or more
   Single item purchases of $30,001 or more shall be procured in accordance with the vendor invitation to bid. The Procurement Manager will be responsible for developing the written bid specifications with input from the requesting Division then presenting to the Executive Director and Chief Financial Officer for review and approval to proceed. The invitation to bid shall be advertised on the Louisiana Procurement and Contract Network (LaPAC) and in the State's Official Journal (The Advocate) and local newspaper.
5. Purchases In Excess of $100,000
   For purchases anticipated to cost $100,000 or more, the Executive Director will present to the Board of Directors for approval to proceed with preparing specifications and invitations to bid.

B. Information Technology (IT) Equipment and Services
   The IT Director is responsible for reviewing all Department requests for IT equipment and services and will present to the Executive Director for approval to proceed. The IT Department will be responsible for obtaining quotes on computer hardware, for preparing all item specifications and assisting the Procurement Manager on determining bidder compliance with specifications. SCLHSA will use the thresholds noted in Section A. Materials, Supplies, Equipment and Services when applicable as well as the review/approval for all requests approved by the Executive Director.

C. Public Works
   Public works means the erection, construction, alteration, improvement or repair of any public facility or immovable property owned, used or leased by a public entity. SCLHSA will verify the annual Consumer Price Index established and solicit bids for any purchase exceeding such. For purchases under the DOA OFPC contract limit, and as part of best practice, SCLHSA will use the same thresholds and reviews/approvals as noted in Section A. Materials, Supplies, Equipment and Services.

D. Rentals and Leases
   - Rentals generally apply to short periods of days or less and normally associated with rental of movable equipment or material.

- Leases are normally entered into for long-term rentals of movable equipment or for fixed assets such as office / storage space.

Rentals and Leases are not covered by the Public Bid Law.

The Procurement Manager shall make a diligent effort to secure competitive quotes/bids where required. However, where sufficient quotes/bids are solicited and no response is received from vendor or a "no bid" is received from vendor, such responses shall be construed as quotes/bids.

E. Exception to Competitive Quotes

1. Purchase from State Purchasing Contract
   SCLHSA is eligible to purchase from commodity contracts made by Louisiana Office of State Procureent (OSP). When utilizing these contracts, competitive quotes/bids are not required. However, SCLHSA may elect not to utilize State commodity contracts due the various requirements that may exist such as minimum purchase amount, the State contract price may not be as competitive as non-contract price, and/or the quality of the item available may be of lesser quality than is cost effective. In such cases, SCLHSA will follow the same thresholds and reviews/approvals as noted in Section A. Material, Supplies, Equipment and Services.

2. Sole Source Procurement
   When a required item or service can only be secured from the manufacturer or a single supplier, upon receipt of Sole Source Verification, the Purchasing Section can proceed with the purchase upon determining the quoted price is reasonable, is no higher than published list price, and the material definitely can only be supplied from that one particular vendor.

3. Machinery or Equipment Repair and Parts/Authorized Dealer
   An Authorized Dealer shall be used for obtaining repair/parts for machinery and equipment. If an Authorized Dealer is not available when a piece of machinery or equipment needs repairing and the value of the parts and services cannot be determined without first breaking down the machinery or equipment, competitive bidding is waived, however, the Chief Financial Officer and Executive Director will review and grant approval of the vendor and the estimated cost of the work prior to the beginning of work.

4. Used Equipment
   Used or demonstrator equipment, with the review and approval of the Executive Director and Chief Financial Officer, may be purchased if it is determined that the procurement of the item is cost effective. The following information shall be documented:
   - The price of the used equipment to be obtained,
   - The savings that will occur because of the purchase of the used equipment,
   - The fact that following Section A. Materials, Supplies, Equipment and Services will result in the loss of the opportunity to purchase the equipment, and
   - Where applicable, the plan for maintenance and repair of the used equipment and the cost thereof, and the specification of any transferable warranties.

5. Federal General Services Administrative Purchases
   Material, supplies or equipment from Federal General Services Administration supply schedules need not comply with competitive bid requirements. However such shall not be purchased at a price higher than the price of the same item listed on any available State Contract.

6. Dues and Subscriptions

- Subscriptions to publications shall require the approval of the Executive Director including continued renewals.
- Enrollment into organizations shall also require the approval of the Executive Director.

7. Goods Manufactured or Services Performed by Sheltered Workshops or State Use Certified Work Centers
   If a product/service can be produced/performed by a sheltered workshop or state use certified work center, to specification, meet all delivery requirements and be at a fair price, the SCLHSA may elect to procure such goods/services from Employment Development Services (EDS).

8. Emergency Purchases
   Any emergency condition is a situation which creates a threat to clients, staff, public health, welfare, safety or public property. Such condition creates a serious and immediate need to supplies/services and repair that cannot be met by normal procurement methods without seriously threatening the functioning of SCLHSA, its property or the health or safety of any person.

   Emergency procurement shall be limited ~~to~~ only to those supplies, services or major repair items necessary to meet the emergency; and requirements for quotes/bids and awarding to the lowest responsible vendor shall not apply. All emergency procurement will require the approval of the Executive Director and the Chief Financial Officer.

   A record of all emergency procurement shall be maintained by the Purchasing Section that includes:
   - The Executive Director's approval,
   - Each vendor's name, and
   - A detail list of supplies, services or major repairs procured under each purchase.

9. Information Technology
   The cost for information technology software, including modifications, installation integration, training for the total project plus maintenance and support services, in a 12 month period, can be secured for less than $100,000.
   - Software as a Service (SaaS) means access to a computer software program that is owned, delivered, and managed remotely by an external service provider on a pay-per-use basis whereby the software is a business application based on a single set of common code and data definitions and the application data is owned and updated by SCLHSA. A formally signed Service Level Agreement (SLA) is required as a part of each SaaS.
   - Software maintenance includes on-site, telephone and/or on-line trouble shooting, installation assistance, basic usability assistance, etc. Information technology software products and technologies to be covered include operating system, application software and systems, application software, and systems and network management software, tools and utilities.

   Information technology software support services that include capacity planning, performance analysis, on-site troubleshooting, and custom modification may be handled non-competitively when under $50,000.

10. Behavioral Health Consumer Care Resource and Developmental Disabilities Individual and Family Support Requests
    SCLHSA promotes a quality of life for patients with behavioral health needs, individuals with developmental disabilities and their family to achieve a level of independence and

involvement in their local communities. To assist individuals and/or their families to accomplish such, SCLHSA provides financial assistance for identified needs per individual care plans and/or requests received. Refer to SCLHSA Policies 423 Consumer Care Resource and 500 Individual and Family Support.

Procedures for Requisitioning Goods / Services

All requests for goods/services require the submission of a requisition for approval prior to obligating any SCLHSA's funds.

1. The requisition form is completed by a SCLHSA staff member identifying the goods/services needed with a reason for the purchase and submitted to the Section Head for review and approval.

2. The Section Head submits the requisition to the Procurement Manager and Accounting Specialist for review and assignment of the requisition number.
   - If it is determined the requisition is for routine operational goods/services, the Accounting Specialist verifies the expenditure coding for accuracy then routes the requisition to the Procurement Manager for approval.
   - If it is determined the requisition is for non-routine goods/service or the estimated purchase price is excessive, the requisition is routed to the Chief Financial Officer for review. The Chief Financial Officer confers with the Executive Director prior to proceeding with the purchase.
3. The Procurement Manager forwards the approved requisition, or a copy of, to the requestor to proceed with the appropriate means of purchase.
4. Methods of purchase on approved requisitions are:
   - Purchase Order purchase – procedures in next section of this policy.
   - LaCarte Card purchase – refer to SCLHSA Policy 315
   - Petty Cash purchase – refer to SCLHSA Policy 316
   - Imprest Fund purchase – refer to SCLHSA Policy 319

Procedures for Purchasing Goods/Services

The Procurement Manager shall:

1. Secure the specifications of the goods/services that include, but not be limited to, any description of the physical, functional, or performance characteristics or of the nature or the supply, service, or major repair item to be obtained and ensure specifications shall be written in such a manner as to describe the requirements to be met, without having the effective of exclusively requiring proprietary item, or procurement from a sole source, unless no other manner of description will suffice. In the event specifications do include the name of a certain brand, make, manufacturer, or are unique to a proprietor, the specifications shall state clearly that they are used only to convey to prospective proposers the general style, type, character, and quality of product desired and that equivalent products will be acceptable.

2. Proceed with the appropriate competitive quotes/bids per the thresholds established in Section A. Materials, Supplies, Equipment and Services and guidelines set forth in Public Bid Laws Advertising.

   a. Formal Written Bids & Advertisements
      i. If the Invitation to Bid is made through advertisement, the first publication of the advertisement shall not occur on a Saturday, Sunday or legal holiday.
      ii. All prices and conditions shall remain in effect for a period of at least thirty (30) days.
      iii. All potential bidders shall be notified that the bids shall be opened on a public basis.
      iv. Where written bids are received, the Purchasing Section may use the same quoted price for additional purchases of the materials from the same vendor for the following

twelve (12) months without securing additional bids, provided all purchases made from the same do not cumulatively amount to $30,000 or more.

v. All bids solicited through either written invitation or through advertisement shall contain:
   - Specifications, evaluation factors, delivery or performance schedule, and inspection and acceptance requirements as applicable, and contract terms and conditions, including warranty and bonding, or other security requirements, as applicable. If any special conditions are to apply, they shall be included in the invitation to bid. Documents may be incorporated by reference, provided that the invitation for bids specifies where such documents can be obtained.
   - The date and time when bids must be received, and when they will be publicly opened, and
   - Where and how the bid specifications and bid forms may be obtained.

vi. Addenda modifying invitations for bids shall not be issued within a period of three (3) working days prior to the time for the opening of bids, excluding Saturdays, Sundays, and other legal or declared state holidays. If the necessity arises to issue an addendum modifying the invitation for bid within that three (3) day period, the opening of the bids shall be extended for a period of seven (7) days, without the requirement of re-advertising. Addenda shall be sent to all prospective bidders known to have received an invitation for bid.

b. Bid Submissions
   i. No bids will be accepted for consideration unless the following conditions are met:
      - All written bids, unless otherwise stated, must be submitted on and in accordance with forms provided.
      - Bids must be properly signed and indicates intent to be bound by the terms of the invitation.
      - Bids must be signed in ink.
      - Bids must be received at the address specified and prior to the bid opening time specified.
   ii. The reason for non-acceptance of any bid shall be properly documented by the Purchasing Section.
   iii. ~~B~~id shall either be hand-delivered by the bidder or his agent or sent by registered or certified mail with a return receipt requested. If the bid is hand-delivered, the Purchasing Section shall give the bidder a signed receipt for the delivery.
   iv. No bids shall be accepted, including receiving any hand-delivered bids, on days which are recognized as holidays by the United States Postal Service or State of Louisiana.
   v. Bid prices, unless otherwise specified by the invitation, must be net including transportation and handling charges prepared by contractor to destination.
   vi. Bid prices shall include all applicable taxes the vendor is responsible for.

3. Cancel solicitations only when it is clearly in SCLHSA's best interest and the cancellation is approved by the Executive Director and the Chief Financial Officer. Cancellations may occur when:
   - SCLHSA no longer requires the supplies, labor or services.
   - Proposed amendments to the solicitation would be of such magnitude that a new solicitation is preferred.
   - Ambiguous or inadequate specifications are part of the solicitation, or the solicitation did not provide for consideration of all factors significant to cost.
   - Prices exceed available funds and it would not be appropriate to adjust quantities to be within available funding.
   - All otherwise acceptable bids received are considered to be unreasonably high (or low) in price.

4. Award bid to the lowest responsible and responsive vendor whose bid meets the requirements and criteria set forth in the solicitation. SCLHSA reserves the right to reject any or all bids in whole or in part, and to award by items, parts of items, or by group of items specified. Should a vendor limit a bid on acceptance of the whole bid, an award should be made to the "all or none" proposer only if the proposer is the overall low bidder on all items combined. SCLHSA reserves the right to waive technical defects of a bid submission when the best interest of SCLHSA will be served. If a bid is rejected for non-responsiveness to the stated specification, the variance from the specifications shall be documented by the Procurement Manager.

   All bids subject to public opening, prior to award, shall be checked for irregularities, tabulated and forwarded to the requesting division for review and recommendations.

   In the event SCLHSA received low, responsive bids that are identical in price and meet all requirements of the solicitation, the following factors shall be applied, in priority order, to determine which vendor to award:
   a. The business who maintains its principle place of business within the geographical confines of SCLHSA's catchment area,
   b. The business that is registered with the State as a female or minority-owned business,
   c. The vendor who has proven ability with SCLHSA and has exhibited a willingness to meet the needs of SCLHSA, or
   d. The vendor whose bid was first to be received.

5. Receive grievances and coordinate the initial protest and appeals, if requested, hearings
   a. Initial Hearing
      i. Any person who is aggrieved in connection with a solicitation, award, or other action leading to determination of a bid award, may protest in writing to the SCLHSA Procurement Manager.
         - Protests regarding a solicitation shall be submitted in at least two (2) working days prior to the opening of the bids.
         - Protests with respect to the award of a purchase contract shall be submitted no more than fourteen (14) days after contract award.
         - Protests must be received in the SCLHSA Purchasing Section via hand-delivery or return receipt certified mail.
      ii. The written protest must state the issue(s) protested. The protest hearing shall be limited to the issue(s) contained in the written protest unless the Executive Director determines that other information needs to be considered to properly decide the matter.
      iii. If the purchase contract has not been issued at the time of receipt of a qualified written protest, the actual purchase shall be postponed until after a hearing by the Procurement Manager, CFO and Executive Director, unless delaying the issuances of the purchase contract would significantly handicap the SCLHSA in performing its regular functions.
      iv. A hearing on a grievance shall be scheduled no later than fourteen (14) days following receipt of the grievance. A written notice of the hearing date and time shall be sent by return receipt certified mail to the aggrieved party, and to any party who may be affected by the result of the hearing.
      v. At the hearing, an opportunity shall be afforded to all parties, aggrieved persons, or interested persons to respond and present relevant evidence and information. Proceedings of the hearing shall be electronically recorded.
      vi. A decision regarding the grievance shall be made by the Executive Director within ten (10) days of the conclusion of the hearing. The aggrieved party shall be

notified of the results by return receipt certified mail. All other interested parties shall be notified of the decision by regular post office delivery.

vii. The Executive Director shall notify the SCLHSA Board Chairperson upon receipt of the grievance and of the decision made by the Executive Director

b. Appeals Hearing

i. The same aggrieved party may appeal the decision of the Executive Director to the SCLHSA Board Chairperson. Appeals must be submitted in writing within ten (10) days of the Executive Director's decision and must specify the exact reason or basis for the appeal of the decision. Appeals must be received in the SCLHSA Purchasing Section via hand-delivery or return receipt certified mail.

ii. Upon receipt of an appeal meeting of the aforementioned conditions, the Board Chairperson shall secure two (2) additional Board Members to hear the appeal within twenty-one (21) days of receipt. A written notice of the hearing date and time shall be sent by return receipt certified mail to the aggrieved party, and to any party who may be affected by the result of the hearing.

iii. At the hearing, an opportunity shall be afforded the aggrieved party and SCLHSA staff to present relevant evidence and information specific to the stated reason or basis of the appeal. The proceedings of the appeal hearing shall be electronically recorded.

iv. The Board Members shall present the results of its deliberations to the full Board at its next regular meeting for final disposition. The appealing party shall be notified of the Board's decision by return receipt certified mail within five (5) days of the meeting at which a vote on the matter is taken.

v. Except any judicial appeals which are available to the aggrieved party, the decision of the Board shall be final.

6. SCLHSA utilizes the State of Louisiana purchasing system, eProcurement (SRM), to generate purchase orders and to receive the appropriate goods/services for invoice processing.

Compliance Requirement:

- Office of State Purchasing (OSP) Handbook under the Division of Administration (DOA) for the State of Louisiana: RS 38:2211 – 2296 Public Bids Law
- RS 43:1 – 34 Printing
- RS 43:111 – 211 Advertisements
- RS 44:1 – 41 Public Records,
- Louisiana Administrative Code Title 34 Chapter 55 Section 5501 – 5519 – Procedures for Information Technology Hardware and Hardware Maintenance, Software, Software Maintenance and Support Services
- Louisiana Executive Department's Order for Small Purchase Procedures
- Title 34: 5501 – 5519 Procedures for Information Technology Hardware, Software, Software Maintenance and Support Services, and Hardware Maintenance
- Title 38: 2212 Public Bid Laws Advertising

Attachments:

- SCLHSA Purchase Requisition
- SCLHSA Purchase Order including Standard Terms and Condition Form
- Sole Source / Proprietary Purchase
- Authorized Dealer Certification

Linkages:

- 315 LaCarte P-Card

- 316 Petty Cash
- 319 Imprest Fund
- 423 Consumer Care Resources
- 500 Individual and Family Support