



Policies and Procedures #A1

Subject: Purchasing Policy

Department: Administrative
Approved By: EMSA Board of Trustees

Amended/Approval Date: 05-24-2017
Effective Date: 05-25-2017

This policy/procedure supersedes all other policies/procedures of the same subject.

I. Purpose

To ensure that the types, quantities, and prices associated with goods and services ordered are authorized in accordance with management's criteria and that only goods and services authorized are accepted and ultimately paid for.

II. Scope

This policy applies to all purchases of goods and services, as well as contractual obligations of EMSA. It shall not include professional or other contractual services that are in their nature unique and/or not subject to competition.

III. General

All purchases of supplies, materials, and equipment or services having an estimated cost less than \$50,000.00 may be made on the open market, without newspaper advertisement and without observing the procedure prescribed in this policy for the award of formal contracts.

A purchase requisition will be completed for all purchases greater than \$10,000.00. If the amount is between \$10,000.00 and \$50,000.00, three quotes are required or, in their absence, the reason three quotes could not be obtained. The purchase requisition should explain the reason for the purchase in enough detail so that the approvers can formulate an opinion whether the purchase is required. All required approvers should be convinced the expenditure is needed before approval is given.

This policy will follow in accordance with the EMSA Contract Compliance Policy, as amended from time to time, and the EMSA Vendor Compliance Policy, as amended from time to time.

No contracts, purchases, or requisitions shall be split into partial contracts, purchases, or requisitions for the purpose of avoiding the requirements of this policy.

IV. Professional Services

Services where technical expertise or knowledge of a specialized field is critical to the performance of that service. Professional services are generally associated with the following disciplines: (a) architect, engineer and land surveying services; (b) appraisal services; (c) financial, accounting and auditing services; (d) legal services; (e) consulting services; (f) health care services; (g) insurance services; (h) data processing consulting and programming services; (i) testing and inspection services; (j) photographic, art or marketing services; and (k) employment of temporary employees as advisors, lobbyists, etc.

- A. Departmental selection may be used to select a professional services vendor when, in good faith, it is believed that the total contract cost will be \$50,000.00 or less based on the vendor's expertise, previous performance, and readiness to provide the service to EMSA. In such a case, the department shall evaluate the qualifications of potential vendors and provide documentation to support such services.
- B. Any purchase of professional services obligating EMSA to an expenditure of over \$50,000.00 shall be purchased under either a formal competitive sealed Request for Proposal (RFP) or competitive Request for Qualifications (RFQ) procedure.
 - 1. A Request for Proposal (RFP) is a method of vendor selection in which the award is made to the responsible vendor or whose offer is considered the best when evaluated against established criteria and all other offers. Cost is not the primary focus of the award, but is a factor taken into consideration. Criteria shall include, but not be limited to: applicable and appropriate qualifications, experience, referenced successes, and cost.
 - a. An RFP including a scope of work, evaluation criteria, insurance and bonding requirements, and the proposal opening date and time shall be sent to relevant vendors, published in the official newspapers of the OKC and Tulsa and posted on the EMSA website. If for any reason it is necessary to change the scope of work or any other aspect of the RFP prior to the date of submittal, an addendum shall be issued stating the changes. Scope of work changes must allow adequate notice. The addendum shall be issued to every vendor which received a copy of the RFP. In certain cases, the proposal opening may be postponed to allow adequate time for respondents to prepare their proposals based on scope of work changes.
 - b. A selection committee designated by the appropriate department director shall review the proposals, interview the prospective vendors, if necessary, and rank the vendors per the quality and cost of their offers. The determination of ranking shall consider the following order of importance: the professional competence of vendors, the technical merits of offers, and cost.

- c. Negotiation with the most qualified vendor shall be undertaken to obtain a contract incorporating the scope of services, method of contracting, price and terms and conditions determined to be fair and reasonable to EMSA. If negotiations with the most qualified vendor are not successful, negotiations with the second most qualified vendor shall then be undertaken, and so on, until a contract is successfully negotiated with a qualified vendor.
 - d. Professional services over \$100,000.00 must be considered by the EMSA Board of Trustees.
2. A Request for Qualification (RFQ) process may be utilized for professional services purchases more than \$50,000.00. Utilization of an RFQ is generally advantageous when the services to be provided are of a highly specialized nature, or when the scope of work is difficult to define. The RFQ process is the same as the RFP process outlined above, except that vendors are not required to include a price in their submittals.
 - a. A RFQ may be used to narrow down the number of vendors before competitive sealed RFP process is used.

V. Information Technology Purchases

The Chief Information Officer is responsible to verify compatibility for all technology hardware, software, technology services, communications, and G.I.S. related technologies. EMSA's operation and business processes tend to be technology related, so when considering new integrated business systems I.T. should be contacted early in the process to help frame infrastructure requests, review vendor supplied system requirements and recommendations to ensure compliance and compatibility.

A. Hardware

Examples of hardware purchase include, but are not limited to the following:

1. Desktops, laptops, tablets and servers
2. Data storage related technologies
3. Networking devices such as switches, routers, firewalls
4. Security hardware devices
5. Wireless, mobile, and field-service technologies
6. Peripheral equipment, such as printers and scanners
7. Audio-visual related technologies
8. GPS base station, rover, and associated field data collection technologies

- B. Software
 - Examples of software purchases include, but not limited to the following:
 - A. Enterprise Resource Systems (ERP)
 - B. Virtual servers and related systems software
 - C. Department specific specialized applications
 - D. Security related software technologies
 - E. Desktop Office Suites and other individualized software packages
 - F. GIS server and end-user software.
 - G. Internally supported GIS systems
 - H. Hosted GIS systems such as ArcGIS Online

- C. Communications
 - EMSA utilizes a variety of communication technologies to connect and communicate internally and externally. Some of these communication methods include:
 - 1. Telephone network services from carriers such as AT&T or others.
 - 2. VoIP and PBX related telephone systems.
 - 3. Data network services for leased connectivity circuits
 - 4. Broadband leased services from cable companies and other providers
 - 5. Mobile data services from companies such as AT&T, Verizon, and others.
 - 6. City-owned fiber connectivity possibilities for building and other connectivity.
 - 7. Technology related to the 9-1-1 system.

VI. Blanket Purchase Agreements or Contract Purchase Agreements

- A. Blanket purchase agreement or term contracts, are agreements established with vendors to allow individual purchases by EMSA throughout the year without repeating the competitive bidding process each time a purchase is made. Blanket purchase orders take advantage of volume discounting based on the annual estimated quantities purchased. Blanket purchase orders also reduce paperwork; therefore, expediting service and reducing purchasing costs.

- B. Blanket purchase orders do not commit EMSA to purchase any supply or service from the vendor. They are issued to advise the vendor of the supply and/or service EMSA may require, establish terms and pricing where applicable, establish dollar limits, either per order or time, establish personnel authorized to make purchases against these blanket purchase orders and outline the ordering, receiving and invoicing procedure.

VII. Cooperative Agreements and Intergovernmental Purchasing

This is a process by which two or more governmental jurisdictions join to purchase supplies or services from the same vendor or other government agencies perform bids on supplies and services, and the vendor will extend the same terms and pricing to other government entities. This form of purchasing has the benefits of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information and taking advantage of expertise and information that may be available in only one of the jurisdictions.

- A. EMSA may purchase directly from any contract awarded by the State of Oklahoma or any State of Oklahoma agency under the Oklahoma Central Purchasing Act, by the City of Tulsa, by the City of Oklahoma City, by any county in the State of Oklahoma or by the U.S. General Services Administration. A purchase greater than \$50,000 cannot be made by contract from a county or from the GSA.

VIII. Formal Contract and Open Market Procedure

All expenditures for supplies, materials, equipment, construction, labor repairs or other non-professional services when the estimated cost shall exceed \$50,000.00 shall be purchased by formal written contract from the most appropriate secure bidder, after due notice inviting bids.

A. Notice Inviting Bids

1. Newspaper: EMSA shall cause to be published notice inviting bids in at least one newspaper of general circulation in the City of Tulsa and one in the City of Oklahoma City once a week for two successive weeks prior to the date on which bids are received and opened. The newspaper notice required herein shall include a general description of the services required or the articles to be purchased and shall state where bid forms and specifications may be secured and the time and place for opening bids.
2. EMSA shall also solicit sealed bids from all responsible prospective suppliers who have requested their names to be added to a "Bidders List" maintained by EMSA by sending a copy of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors on the Bidders' List shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.

B. Bid Deposits: When deemed necessary by EMSA, bid deposits shall be prescribed in the public notices inviting bids. Unsuccessful bidders shall be entitled to return of surety where it has been required. A successful bidder shall forfeit any surety required upon failure on his part to enter a contract within ten days after award.

C. Bid Opening Procedures

1. Sealed: Bids shall be submitted sealed to the EMSA office located at 1417 N. Lansing Avenue, Tulsa, Oklahoma 74106, and shall be identified on the envelope as bids.
2. Opening: Bids shall be opened in public at the time and place stated in the public notice.
3. Tabulation: A tabulation of all bids received shall be made by EMSA and the tabulation shall be available for public inspection in EMSA's Tulsa office at all reasonable times.

D. Rejection of Bids

1. Public Interest: The Board of Trustees shall have the authority to reject all bids, parts of all bids, or all bids for any one or more supplies or contractual services included in the proposed contract when the public interest will be served thereby.
2. Bidders in Default to EMSA: EMSA shall not accept the bids of a contractor who is in default on an obligation due EMSA.
3. Bidders Not Attending Pre-Bid Conference: EMSA shall not accept the bids of a contractor who did not attend a mandatory pre-bid conference.

E. Award of Contract

1. Authority in the Board: The Board of Trustees shall have the authority to award contracts within the purview of this policy.
2. Lowest and Best Secure Bidder: Contracts shall be awarded to the lowest and best bidder meeting specifications. In determining "lowest secure bidder", in addition to price, the following factors shall be considered:
 - a. The ability, capacity and skill of the bidder to perform the contract or provide the service required;
 - b. Whether the bidder can perform the contract or provide the service promptly or within the time specified, without delay or interference;

- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance of previous contracts or services;
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- f. The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g. The quality, availability and adaptability of the supplies or contractual services to the use required;
- h. The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i. Where an earlier delivery date would be of great benefit, the date and terms of delivery may be considered in the bid award;
- j. The number and scope of conditions attached to the bid; and
- k. If a point system has been utilized in the bid specifications, the number of points earned by the bidder.

3. Award to Other Than Lowest Secure Bidder: When the award is not given to the lowest bidder meeting specifications, a full and complete statement of reasons for placing the order with one other than the lowest secure bidder shall be entered in the minutes of the Board of Trustees.

4. Tie Bids

- a. Local Bidders: If two or more bids received are for the same total amount of unit price, quality and service being equal, the contract shall be awarded to the local bidder.
- b. Bidders of Equal Status: Where the preceding paragraph is not determinative, EMSA shall award the contract to one of the tie bidders by drawing lots in public.

5. Performance Bonds: Before entering a contract, EMSA shall have the authority to require a performance bond in such amount as shall be found reasonably necessary to protect the best interests of EMSA.

F. Prohibition Against Subdivision: No contract or purchase shall be subdivided to avoid the requirements of this section.

IX. Sole Source/Non-Competitive Purchases

Sole Source and Non-competitive negotiations may be used as a procurement method for purchases of products or services when available from only one source (Sole Source), or when it is determined by the EMSA Chief Executive Officer that there is only one practicable and reasonable source wherein competitive bidding is not feasible or not advantageous to EMSA (Non-competitive).

A. Sole source purchase exists when:

1. The needed product or service is available from only one known source.
2. The product is a component or replacement part for which there is no commercially available substitute and can be purchased only from the manufacturer, sole distributor or provider; or
3. Research has determined there is only one potential provider for proprietary software. Proprietary software, due to its closed source code and inability to foster competition, does not require the same level of scrutiny as other sole source purchases, e.g. public advertisement. Research via communication between the firm and EMSA confirming the closed nature of source code is usually ample justification to proceed accordingly.

A Non-Competitive purchase exists when it is advantageous to EMSA to declare a purchase non-competitive because it will result in verifiable financial savings to the organization, is a trial or pilot program, or utilizing a competitive process will be detrimental to timely securing of the goods or services. More than one potential supplier may exist for a good or service. The advantages will be documented when declaring the purchase non-competitive. Taking this into consideration, only one reasonable and practicable source exists to supply a good or service. Such advantages may include, but not be limited to: professional and legal services based on uniqueness, vendor qualifications, or timeliness of purchase. EMSA will ensure the item is as follows:

1. The product or service is a desired experimental trial/pilot or testing nature;
2. Additional products or services are needed to complete an ongoing task;
3. The needed product or service may be available from more than one source however, due to documented advantages, such as uniqueness, vendor qualifications, timeliness, etc., a non-competitive purchase may be initiated when it is determined by the EMSA Chief Executive Officer that there is only one practicable and reasonable source wherein competitive bidding is not feasible or not advantageous to EMSA; or
4. Funds have become readily available through a grant process and must be spent in a time frame that does not permit competitive bidding.

B. **This section shall also apply to purchases between \$10,000.00 and \$50,000.00.**

- C. The EMSA Board of Trustees will approve any Sole Source or Non-Competitive purchases for goods or non-professional services greater than \$10,000.00.

D. Sole source or Non-Competitive purchase shall be noted on the face of the requisition and the rationale attached thereto.

Nothing in this section shall be construed to prohibit emergency purchases made in accordance with Section X.

X. Emergency Purchases

In the case of an apparent emergency which requires immediate purchase of supplies or services, shall be secured by open market procedure as herein set forth, at the lowest obtainable price, any supplies or services, regardless of the amount of the expenditure. "Emergency Purchase" shall be noted on the face of the requisition and the reason attached thereto.

XI. Approval Authority

1. All requisitions will be approved by the initiator.
2. All requisitions relating to technology equipment and supplies, including hardware, software and maintenance will be approved by the Chief Information Officer.
3. All requisitions relating to patient financial services will be approved by the Chief Revenue Officer.
4. All requisitions will have a second level of approval, by the Chief Financial Officer or Chief Executive Officer.

XII. Competitive Bidding Act and Public Trust Law

Contracts exceeding \$50,000.00 in amounts awarded by EMSA for making any public improvements or constructing any public building or making repairs to or performing maintenance on the same shall comply with the provisions of the Oklahoma Public Competitive Bidding Act, Section 101, et seq. of Title 61 of the Oklahoma Statutes, as amended from time to time.

Contracts awarded by EMSA for construction, labor, equipment, material or repairs in excess of \$50,000.00 shall comply with the provisions of Section 176. H of Title 60 of the Oklahoma Statutes.

XIII. Penalty

All EMSA officers and employees shall comply with the provisions of this policy. Noncompliance could be sufficient grounds for dismissal from the service of EMSA.