



## MCB/OMD Operational Administrative Policy - Purchasing

DRAFT for MCB Review and Approval 7/11/2017, Effective 8/1/2017; New Policy Issuance; Review before 9/2019

### I. Purpose

To ensure that the types, quantities and prices associated with goods and services ordered are authorized in accordance with MCB/OMD criteria and that only goods and services authorized are accepted and ultimately paid.

### II. Scope

This policy applies to all purchases of goods and services as well as contractual obligations of MCB/OMD. 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 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. If the amount is between \$10,000 and \$50,000, 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 MCB/OMD Contracts Policy, as amended from time to time, and the Vendor Eligibility 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

These are defined as 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) appraisal services; (b) financial, accounting and auditing services; (c) legal services; (d) consulting services; (e) health care services; (f) insurance services; (g) data processing consulting and programming services; (h) testing and inspection services; (i) photographic, art or marketing services; and (j) employment of temporary employees as advisors, lobbyists, etc.

1. Medical director(s) may select a professional services vendor when, in good faith, it is believed that the total contract cost will be \$50,000 or less based on the vendor's expertise, previous performance, and readiness to provide the service to MCB/OMD. In such a case, the medical director(s) shall evaluate the qualifications of potential vendors and provide documentation to support such services and selection.



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2. Any purchase of professional services obligating MCB/OMD to an expenditure of over \$50,000 shall be purchased under a competitive Request for Proposal (RFP)/Request for Qualifications (RFQ) procedure.
  - A. A RFP is a method of vendor selection in which award is made to the responsible vendor or whose offer is considered the best when evaluated against established criteria and all other offers. Cost may or may not be 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.
    - i. A RFP including a scope of work, evaluation criteria, insurance and bonding requirements (if applicable), and the proposals consideration date and time shall be announced and/or sent to relevant vendors. Method of announcement may include posting the RFP on the MCB/OMD website.
    - ii. The medical director(s) and appropriate MCB/OMD personnel shall review the proposals, interview vendor(s) if necessary, and rank the vendors per the perceived quality, cost, and timing of their offers.
    - iii. 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 MCB/OMD. 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.
    - iv. Professional services over \$100,000 must be formally considered and acted upon by the Medical Control Board.
3. Request for Qualifications
  - A. An RFQ process may be utilized for professional services purchases more than \$50,000. 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.
  - B. A RFQ may be used to narrow down the number of vendors before competitive sealed RFP process is used.



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### V. Information Technology Purchases

The medical director(s) are responsible directly or indirectly through assignment to MCB/OMD personnel, most often to the Director of Health Information Services, to verify appropriate compatibility for all technology hardware, software, information technology services, communications, and G.I.S. related technologies. Compatibility considerations should be made early in the purchasing process for such related equipment and/or services. While compatibility with EMSA and/or Fire Department systems can at times prove advantageous, such compatibility will be at the discretion of the medical director(s) and ultimately, the MCB.

### VI. Blanket Purchase Agreements or Contract Purchase Agreements

1. Blanket purchase agreement or term contracts, are agreements established with vendors to allow individual purchases by MCB/OMD 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.
2. Blanket purchase orders do not commit MCB/OMD to purchase any supply or service from the vendor. They are issued to advise the vendor of the supply and/or service MCB/OMD 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.

1. MCB/OMD 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.



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### VIII. 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 Medical Director that there is only one practicable and reasonable source wherein competitive bidding is not feasible or not advantageous to MCB/OMD (Non-competitive).

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 only purchased from either the manufacturer, or a sole distributor/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, i.e. public access advertisement.

A non-competitive purchase exists when it is advantageous to MCB/OMD to declare a purchase non-competitive because it will result in verifiable financial savings to the organization, is a trial/pilot program, or a competitive process will prove detrimental to securing the goods or services in the needed time. Appropriate substantiating documentation regarding a non-competitive purchase will be completed by the Medical Director(s), which may include assistance from involved MCB/OMD personnel.

The Medical Control Board will review and act on any sole source or non-competitive purchases that would be greater than \$10,000.

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

### IX. Emergency Purchases

In case of an apparent emergency which requires immediate purchase of supplies or services to sustain the necessary operations of MCB/OMD, such supplies or services shall be secured by open market procedure and at the lowest reasonably obtainable price. Emergency purchases will be documented as such.

### X. Approval Authority

1. All predictable requisitions will be in accordance with the MCB/OMD budget and will be reviewed by the Medical Director(s) monthly.
2. All requisitions relating to technology equipment and supplies, including hardware, software, and maintenance will be reviewed prior to purchase by the Medical Director(s).