Policy # A3
Purchasing

Policy Title: Purchasing
Policy #: A3
Policy Category: Administrative

Executive Policy Owner: Chief Compliance Officer

Approval Authority: CEO and Board of Trustees

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Applicable Standards:	
Applicable Statues/Regulations/Law:	

1. Purpose

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

2. 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.

This policy applies to authorized cooperative purchase of good and services made on behalf of EMSA by the Operations Contractor. Purchases made outside of an authorized cooperative purchase should follow the purchasing policy of the initiating entity.

3. Terms/Definitions

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.

Information Technology Purchases – Includes any hardware, equipment, software, software subscriptions, end user communication technology, communication infrastructure, communication equipment and/or devices.

4. Policy

A. Purchasers should exercise due diligence in seeking the best value for the purchase and ensure the purchase supports the mission of EMSA.
B. The operations contractor must have authorization prior to purchasing goods or services on behalf of EMSA.
C. No contract, purchase, or requisition shall be split into partial contracts, purchases, or requisitions for the purpose of avoiding the requirements of this policy.
D. If a company issued American Express Card is used for payment; purchasing documentation and contract policies still apply.
E. If grant funding is being used in the purchase of goods or payment of services, the purchase must adhere to the awarding agency funding restrictions and purchase approval process.

5. Procedures

A. Estimated Cost, Less than $10,000.00
   a. The purchase of goods or payment for services having an estimated cost less than $10,000.00 do not require a formal requisition or competition process but do require approval from the appropriate Authority Officer or their designee.

B. Estimated Cost between $10,000.00 and $50,000.00
   a. A purchase requisition must be completed for all purchases greater than $10,000.00.

   b. Purchase requisitions should explain the reason for the purchase in enough detail that approvers can reach an informed opinion as to the validity and necessity of the purchase. All required approvers should be convinced the expenditure is needed before approval is given.

   c. Purchase amounts between $10,000.00 and $50,000.00, require three quotes, in absences of three quotes a memo outlining the reasons three quotes could not be obtained must accompany the purchase requisition.

   d. The purchase of goods or payment for services less than $50,000.00 may be made on the open market, without newspaper advertisement and without observing the formal contract and open market procedure prescribed in this policy.

C. Estimated Cost greater than $50,000.00 (excluding professional services), Formal Contract and Open Market

   a. All expenditures for supplies, materials, equipment, construction, labor repairs or other non-professional service costs estimated to exceed $50,000.00 shall be purchased under formal written contract from the most appropriate secure bidder, after due notice inviting bids on the open market.

D. Bids
   a. Notice Inviting Bids
      i. EMSA shall cause to be published notices 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 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

      ii. 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
      i. 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.
      ii. Bid Opening Procedures
      iii. Bids shall be submitted sealed to the EMSA office located at 1417 N. Lansing Avenue,
      iv. Tulsa, Oklahoma 74106, and shall be identified on the envelope as bids.
      v. Bids shall be opened in public at the time and place stated in the public notice.
      vi. 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

   c. Rejection of Bids

      i. 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.
      ii. EMSA shall not accept the bids of a contractor who is in default on an obligation due EMSA.
      iii. EMSA shall not accept the bids of a contractor who did not attend a mandatory pre-bid conference.

   d. Award of Contract

      i. The Board of Trustees shall have the authority to award contracts within the purview of this policy.

ii. 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.
   l) Award to Other Than Lowest Secure Bidder
   m) 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

e. Tie Bids
   i. 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.
   ii. Where the preceding paragraph is not determinative, EMSA shall award the contract to one of the tie bidders by drawing lots in public.
   iii. Performance Bonds
   iv. 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.
   v. Prohibition Against Subdivision
   vi. No contract or purchase shall be subdivided to avoid the requirements of this section.

E. Professional Services

a. Professional Services are obtained when technical expertise or knowledge of a specialized field is critical to the performance of a service or completion of a project. Professional services are generally associated with the following disciplines:
   i. architect, engineer and land surveying services
   ii. appraisal services
   iii. financial, accounting and auditing services
   iv. legal services
   v. consulting services
   vi. health care services
   vii. insurance services
   viii. data processing consulting and programming services
   ix. testing and inspection services
   x. photographic, art or marketing services; and
   xi. employment of temporary employees as advisors, lobbyists, etc.

b. 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.

c. 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.

d. A Request for Qualification (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 below, except vendors are not required to include a price in their submittals.

e. RFQ may be used to narrow down the number of vendors before competitive sealed RFP process is used.

f. 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.

g. Cost is not the primary focus of the award, but is a factor taken into consideration.

h. Criteria shall include, but not be limited to: applicable and appropriate qualifications, experience, referenced successes, and cost.

i. 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.

j. 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.

k. Scope of work changes must allow adequate notice.

l. The addendum shall be issued to every vendor which received a copy of the RFP.

m. In certain cases, the proposal opening may be postponed allowing adequate time for respondents to prepare their proposals based on scope of work changes.

n. 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.

o. The determination of ranking shall consider the following order of importance: the professional competence of vendors, the technical merits of offers, and cost.

p. Negotiation with the most qualified vendor shall be undertaken to obtain a contract incorporating the scope of services, method of contracting, price, terms and conditions determined to be fair and reasonable to EMSA.

q. 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

r. Professional services over $100,000.00 must be considered by the EMSA Board of Trustees. Unless the service agreement has been requisitioned to maintain or support operational infrastructure previously approved by the Board.

F. **Information Technology Purchases**

a. The Chief Information Officer has the responsibility of verifying compatibility for information technology services, communications, and G.I.S. related hardware, software and infrastructure.

b. EMSA's operation and business processes tend to be technology heavy 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 provide recommendations to ensure compliance and compatibility.

G. **Blanket Purchase Agreements or Contract Purchase Agreements**

a. Blanket purchase agreements 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 can reduce cost through volume-based discounting, reduce paperwork, and can expedite service.

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.

H. Cooperative Agreements and Intergovernmental

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.

b. A purchase greater than $50,000 cannot be made by contract from a county or from the GSA.

I. Sole Source/ Non-Competitive Purchases

a. This section shall also apply to purchases between $10,000.00 and $50,000.00.

b. 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.

c. 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).

d. Soul source purchase exists when:

e. The needed product or service is available from only one known source.

f. 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

g. 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.

h. A Non-Competitive purchase exists when:

i. It is advantageous to EMSA to declare a purchase non-competitive because it will result in verifiable financial savings to the organization.

j. It is a trial, pilot or testing program;

k. Utilizing a competitive process will be detrimental to timely securing of the goods or services.
l. More than one potential supplier exists for a good or service but the business or operational advantages to declaring the purchase non-competitive are significant enough that when taken into consideration, only one reasonable and practicable source exists to supply a good or service and competitive bidding is not feasible nor advantageous to EMSA.
    i. Such advantages may include, but not be limited to: professional and legal services based on uniqueness, vendor qualifications, or timeliness of purchase.
    ii. The advantages will be clearly documented when declaring the purchase non-competitive.
m. Sole source or Non-Competitive purchase shall be noted on the face of the requisition and the rationale attached thereto.
n. Nothing in this section shall be construed to prohibit emergency purchases made in accordance with the Emergency Purchases Section.

J. Emergency Purchases

a. 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 requisition or intent to purchase and the reason attached thereto.

K. **Approval Authority**

a. All requisitions will be approved by the initiator.
b. All purchases made by the operations contractor on behalf of EMSA must have prior authorization from the designated Authority representative.
c. All requisitions relating to technology equipment and supplies, including hardware, software and maintenance will be approved by the Chief Information Officer.
d. All requisitions relating to patient financial services will be approved by the Chief Revenue Officer.
e. All requisitions will have a second level of approval, by the Chief Financial Officer or Chief Executive Officer.
f. Except as otherwise provided herein, all purchases exceeding $50,000 must be approved by the EMSA Board of Trustees.

L. **Competitive Bidding Act and Public Trust Law**

a. Contracts exceeding $50,000.00, awarded by EMSA, for the purpose of 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.

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

M. **Penalty**

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