

Title:		Contents:	P-3600
PURCHASE ORDERS FOR SERVICES		Submitted By:	Purchasing Division
		Approved By:	Purchasing Agent
Effective Date:	07/01/10	Supersedes No.:	04/03/08
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Policy

Pursuant to Government Code section 25502.2, the Purchasing Agent may solicit competitive bids and contract for services on behalf of County departments up to an annual statutory limitation of \$100,000.

Note: *Under no circumstances do County departments have independent authority to contract for services above their delegated purchasing authority.*

Service requirements that exceed an annual amount of \$100,000 must be processed as a Board contract by the respective County department(s).

Cross Reference(s):

- Purchasing Policy No. A-300 Departmental Authority
- Purchasing Policy No. P-2400 Proposition “A” Contracts
- Purchase Standard No. 1002 (3/03) – Dept. Instructions Non-Agreement Various Vendor Blanket Purchase Orders

Service – Definition and Applicability of the \$100,000 Annual Limitation

Service is the performance of labor by an outside firm or contractor for and/or on behalf of County departments. It can be rendered to the County by a firm or individual, with or without the furnishing of materials.

This monetary limitation is applicable per project on an annual basis. The key is that each project (services being requested) must be a distinct and different project. A project associated with multiple phases or additional work beyond the original scope of work that would exceed the annual dollar limitation in any given year would not qualify as “distinct and different.”

In any event, aggregate service purchase orders to any one vendor for a project or similar type services cannot exceed the \$100,000 annual threshold.

Service requirements that are projected to exceed this threshold must be processed for Board approval as a service contract by the respective County department(s).

Exclusions and Restrictions

Based on the nature and/or statutory authority levels required, the following service-related acquisitions are excluded from processing by the Purchasing Agent, and must be processed by the applicable County department(s) for Board approval:

- Proposition “A” contracts or services that meet the Proposition “A” criteria
- Multi-year sole source agreements
- Personal services agreements for medical or health related patient care services

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Exception to the \$100,000 Threshold

Pursuant to Government Code section 25501 et seq., the Purchasing Agent has unlimited authority to purchase commodities. When services are bundled with a purchase of equipment (e.g., installation, training, maintenance, etc.) regardless of the cost, a Board contract is not required when the service component is less than or equal to 30% of the total cost. This is deemed to be a "Commodity-driven" purchase.

Mandatory Requirements

Prior to requesting a purchase order for a service-related agreement, the requisitioning department must document that all of the following conditions exist:

1. The service cannot be performed adequately, competently or satisfactorily by a County employee and that it is impossible to recruit such personnel to perform the service for the period of time the service is needed by the County;
2. The service is of an extraordinary professional or technical nature and is needed on a temporary, short-term, one-time, part-time or intermittent basis; or for multi-year agreements, the service must be solicited, would not exceed the \$100,000 annual limit during the course of the agreement, and would be biddable at the end of the agreement cycle period (e.g., the County's standard three year agreement, with two, one year options to extend).
3. The service being requested is not part of an ongoing project or any portion or phase of a project that will or has already exceeded the \$100,000 annual threshold when completed; and
4. The service is not part of a project or any portion or phase of a project that is related to an existing or expired Board contract.
5. The department must complete and submit the Checklist for Service Requisitions (included in this policy) with their requisition for processing before a purchase order agreement can be considered.

Statement of Work

The requisitioning County department is responsible for preparing and submitting a detailed Statement of Work (SOW) to the Purchasing Agent for solicitation and award of a service related acquisition. The SOW is a critical document that identifies the specific scope, requirements and project deliverables to be accomplished under the agreement by the service contractor.

In preparing a SOW, County departments should use the County's model contract solicitation documents as a reference. These documents, including a SOW template can be found online at: <http://svcscontracting.mylacounty.info/msd.asp>.

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CHECKLIST FOR SERVICE REQUISITIONS

Before processing any service-related requisition, the department must complete the following checklist:

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Please check all appropriate descriptions below: | | |
| a. Can the service be performed adequately, competently, or satisfactorily by a County employee? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Is the service of an extraordinary professional or technical nature, and is temporary, part-time or intermittent in nature? | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Is the service being requested for a multi-year agreement (if yes, it must be solicited)? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. The service is needed to provide an independent audit, evaluation, or analysis of County programs (Auditor-Controller's approval is required). | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Has the department ordered the service prior to this request?
If yes , answer the following: | <input type="checkbox"/> | <input type="checkbox"/> |
| a. How did the department pay for the prior services? _____ | | |
| b. What is the total aggregate cost of the prior services/purchase orders? \$ _____ | | |
| 3. Is the service being requested part of an ongoing project or any portion or phase of a project that will or has already exceeded the \$100,000 threshold when completed? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Has Board approval been obtained for the service: If yes , attach a copy of the Board Contract or Board adopted letter to this checklist and submit with your requisition. | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is the service being request part of a project or any portion or phase of a project that is related to a future, existing or expired Board contract? | <input type="checkbox"/> | <input type="checkbox"/> |

By authorized signature below, the department certifies that the above information is correct, and acknowledges that any false information would result in immediate cancellation of any resultant purchase order(s), and reported and referred to the Board of Supervisors for a retroactive contract and a violation of County Purchasing policies and procedures on the part of the department.

Department Name (Type or Print)

Requisition Number

Department Authorized Representative (Print/Sign Name)
(Administrative Deputy or Higher)