

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

PROCUREMENT POLICY AND PROCEDURE

SECTION I: PURPOSE

- A. It is the policy of the South Coast Air Quality Management District (AQMD) to make available to all its offices and employees those services, supplies, equipment, materials, and fixed assets which are essential to the operation of the AQMD.
- B. The execution of this policy is the function of the responsible officer as set forth herein.
- C. The procedures set forth in this policy govern contracting and/or purchasing of services, materials, equipment, supplies, and fixed assets by the AQMD.
- D. The AQMD Board may contract for services, materials, equipment, supplies, and fixed assets as may be necessary or convenient for the exercise of duties imposed upon the AQMD.

SECTION II: GOVERNING BODY AND APPLICABLE LAWS

- A. The AQMD is organized pursuant to Chapter 5.5, Part 3, Division 26 of the Health and Safety Code.
- B. The governing body of the AQMD is a Board of Directors composed in accordance with Health and Safety Code Section 40420 ("AQMD Board").
- C. The AQMD is required to adopt a purchasing policy pursuant to Government Code Section 54202.

SECTION III: PARTICIPATION IN THE PROCUREMENT PROCESS

A. General

It is the policy of the AQMD to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in AQMD contracts.

B. Definitions

The definition of minority or women business enterprise set forth below is included for purposes of determining compliance with the affirmative steps requirement described in paragraph (F) below on procurements funded in whole or in part with EPA grant funds which involve the use of subcontractors. The definitions provided for disabled veteran business

enterprise, local business, small business enterprise, low-emission vehicle business, off-peak hours delivery business and benefits incentive business are provided for purposes of determining eligibility for point or cost considerations in the evaluation process.

1. "Minority-or-women business enterprise" (MBE/WBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. a business that is at least 51 percent owned by one or more minority persons or women, or in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more minority persons or women.
 - b. a business whose management and daily business operations are controlled by one or more minority persons or women.
 - c. a business which is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.
2. "Minority person" for purposes of this policy, means a Black American, Hispanic American, Native-American (including American Indian, Eskimo, Aleut, and Native Hawaiian), Asian-Indian (including a person whose origins are from India, Pakistan, and Bangladesh), Asian-Pacific-American (including a person whose origins are from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the United States Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, and Taiwan).
3. "Disabled veteran" as used in this policy is a United States military, naval, or air service veteran with at least 10 percent service-connected disability who is a resident of California.
4. "Disabled veteran business enterprise" (DVBE) as used in this policy means a business enterprise that meets all of the following criteria:
 - a. is a sole proprietorship or partnership of which at least 51 percent is owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.
 - b. the management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business.
 - c. is a sole proprietorship, corporation, or partnership with its primary headquarters office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other foreign-based business.

5. "Local business" as used in this policy means a company that has an ongoing business within the South Coast AQMD at the time of bid or proposal submittal and performs 90% of the work related to the contract within the South Coast AQMD and satisfies the requirements of subparagraph H below.
 6. "Small business" as used in this policy means a business that meets the following criteria:
 - a. 1) an independently owned and operated business; 2) not dominant in its field of operation; 3) together with affiliates is either:
 - A service, construction, or non-manufacturer with 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or
 - A manufacturer with 100 or fewer employees.
 - b. Manufacturer means a business that is both of the following:
 - 1) Primarily engaged in the chemical or mechanical transformation of raw materials or processed substances into new products.
 - 2) Classified between Codes 311000 and 339000, inclusive, of the North American Industrial Classification System (NAICS) Manual published by the United States Office of Management and Budget, 2007 edition.
 7. "Joint ventures" as defined in this policy pertaining to certification means that one party to the joint venture is a DVBE or small business and owns at least 51 percent of the joint venture.
 8. "Low-Emission Vehicle Business" as used in this policy means a company or contractor that uses low-emission vehicles in conducting deliveries to the AQMD. Low-emission vehicles include vehicles powered by electric, compressed natural gas (CNG), liquefied natural gas (LNG), liquefied petroleum gas (LPG), ethanol, methanol, hydrogen and diesel retrofitted with particulate matter (PM) traps.
 9. "Off-Peak Hours Delivery Business" as used in this policy means a company or contractor that commits to conducting deliveries to the AQMD during off-peak traffic hours defined as between 10:00 a.m. and 3:00 p.m.
 10. "Benefits Incentive Business" as used in this policy means a company or contractor that provides janitorial, security guard or landscaping services to the AQMD and commits to providing employee health benefits (as defined below in Section VIII.D.2.d) for full time workers with affordable deductible and co-payment terms.
- C. Under Request for Quotations (RFQ), DVBEs, DVBE business joint ventures, small businesses, and small business joint ventures shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid. Low-Emission Vehicle Businesses shall be granted a preference in an amount equal to 5 percent of the lowest cost responsive bid.

Off-Peak Hours Delivery Businesses shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid. Local businesses (if the procurement is not funded in whole or in part by EPA grant funds) shall be granted a preference in an amount equal to 2 percent of the lowest cost responsive bid.

- D. Under Request for Proposals (RFP), DVBEs, DVBE joint ventures, small businesses, small business joint ventures and benefits incentive businesses shall be awarded ten (10) points in the evaluation process. A non-DVBE or large business shall receive seven (7) points for subcontracting at least 25 percent of the total contract value to a DVBE or small business. Low-Emission Vehicle Businesses shall be awarded five (5) points in the evaluation process. On procurements that are not funded in whole or in part by EPA grant funds local businesses shall receive five (5) points. Off-Peak Hours Delivery Businesses shall be awarded two (2) points in the evaluation process.
- E. The AQMD will ensure that discrimination in the award and performance of contracts does not occur on the basis of race, color, sex, national origin, marital status, sexual preference, creed, ancestry, medical condition, or retaliation for having filed a discrimination complaint in the performance of AQMD contractual obligations.
- F. When contracts are funded in whole or in part by EPA grant funds and if subcontracts are to be let, the Contractor must comply with the following, evidencing a good faith effort to solicit minority- and women-owned businesses. Contractor shall submit a certification signed by an authorized official affirming compliance with the steps below at the time of proposal submission. The AQMD reserves the right to request documentation demonstrating compliance with these steps prior to contract execution.
 - 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - 2. Ensuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources, including advertising at least ten days in advance of the bid in a variety of media including media directed to minority- and women-owned business audiences;
 - 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 - 4. Establishing delivery schedules, where requirements permit, which encourage participation by small and minority business and women's business enterprises; and
 - 5. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- G. To the extent that any conflict exists between this policy and any requirements imposed by federal and state law relating to participation in a contract by a MBE, WBE, and/or DVBE as a condition of receipt of federal or state funds, the federal or state requirements shall prevail.

- H. When contracts are not funded in whole or in part by EPA grant funds, a local business preference will be awarded. For such contracts that involve the purchase of commercial off-the-shelf products, local business preference will be given to suppliers or distributors of commercial off-the-shelf products who maintain an ongoing business within the geographical boundaries of the AQMD. However, if the subject matter of the RFP or RFQ calls for the fabrication or manufacture of custom products, only companies performing 90% of the manufacturing or fabrication effort within the geographical boundaries of the AQMD shall be entitled to the local business preference.
- I. In compliance with federal fair share requirements set forth in 40 CFR 35.6580, the AQMD shall establish a fair share goal annually for expenditures covered by this policy.
- J. Responsibilities of AQMD Personnel:
1. The Manager of the Procurement Section shall be responsible for:
 - a. Developing and maintaining AQMD procedures to ensure proper implementation of this policy.
 - b. Reviewing solicitations to ensure compliance with this policy prior to public release.
 - c. Preparing a monthly report to the AQMD Board on solicitations scheduled to be released within the next month and preparing a semi-annual report to the AQMD Board on contract activity.
 - d. Reviewing contracts and purchase orders to ensure compliance with this policy and applicable laws and regulations.
 - e. Providing periodic training to AQMD personnel on contracting and purchasing policies and procedures.
 - f. Developing and maintaining a database of vendors seeking to do business with the AQMD.
 - g. Participating at trade fairs and other procurement outreach programs.
 - h. Publication of Notices Inviting Bids or Proposals.
 2. AQMD Legal Counsel shall be responsible for:
 - a. Representing the AQMD in all litigation actions involving implementation of this policy.
 - b. Providing legal opinions regarding the interpretation of bid specifications, proposal requirements, and contract provisions.
 3. AQMD staff is responsible for:
 - a. Taking all necessary and reasonable steps in accordance with applicable AQMD requirements to execute this policy and to ensure that all businesses including MBEs, WBEs, DVBEs and small businesses have fair and equitable participation in the solicitation process.

- b. Screening the AQMD's vendor database to obtain names of companies which have expressed an interest in doing business with the AQMD.
- c. Ensuring that relevant business enterprises listed in the database will receive copies of solicitations.
- d. Coordinating the advertising of solicitations with the Manager of the Procurement Section or his or her designee in conformance with the policies and procedures of this policy.
- e. Providing the Manager of the Procurement Section with a draft of the solicitation for review prior to public release and issuance of an RFQ or RFP number by the procurement staff.

SECTION IV: PURCHASING OF SUPPLIES, SERVICES AND EQUIPMENT

A. Manager of the Procurement Section Authority and Responsibilities

1. The Manager of the Procurement Section may purchase, upon appropriate authorization, services, materials, equipment, supplies, and fixed assets.
2. The Manager of the Procurement Section shall designate those persons who will have authority to make purchases.
3. The Manager of the Procurement Section shall act in the best interests of the AQMD in negotiating the best price on all goods and services, cost and other factors considered; and in accordance with all rules, regulations, and policies herein set forth, and all applicable provisions of law.
4. For nonconsultant services and supplies which can reasonably be expected to exceed \$50,000 on an annual basis, the Manager of the Procurement Section may use a competitive prequalification process. As used in this policy, the term "prequalified vendors" shall be defined as the list of vendors whom the AQMD has determined to be qualified to provide particular services or supplies. As requirements become identified, competitive bids will be sought only from those vendors on the prequalified vendor list.
5. Whenever possible, to effect economies of scale purchasing, the Manager of the Procurement Section shall pursue the policy of cooperative purchasing, provided that the quality of the available items meets AQMD requirements. Cooperative purchasing is the policy of allowing the Manager of the Procurement Section to place the AQMD's name on other governmental agencies' bid lists for items the AQMD is interested in purchasing. This allows the AQMD to enjoy the same terms, discounts, prices, and availability of items that would not be possible in all cases under small-scale purchasing.
6. The Manager of the Procurement Section shall advertise for public bidding, as set forth in Section VII hereof, any item directed by the AQMD Board or Executive Officer. In any event, the procedure described in Section VI must be followed for purchases in excess of \$25,000.

7. Subject to the supervision and direction of the Executive Officer, it shall be the duty of the Manager of the Procurement Section to purchase from time to time such quantities of supplies as may be required for official use and keep same in such storeroom or rooms as the AQMD shall provide. Such supplies shall be disbursed upon receipt of regular requisitions presented to the Manager of the Procurement Section or his or her designee.

B. Purchasing Methods:

The following purchasing methods shall be utilized, as applicable:

1. Formal Bid - A written bid solicited through public advertising and submitted under sealed bid procedures and which is opened and read on a specified date and time. This method is primarily used for equipment or services costing \$25,000 or more.
2. Informal bid - An unadvertised written bid solicited from a vendor when the cost of the equipment or supplies is so low as to not justify the costs (under \$25,000) of the formal bidding procedure.
3. Telephone Bid - Telephone bids may be utilized by the Manager of the Procurement Section or his or her designee when the best interests of the AQMD may be served due to the need for immediate delivery or for other valid reasons. A written confirmation of the bid will be required in order to document the file.
4. Sole or Single Source - An award may be made without a formal bid when the item or service to be purchased may be obtained from only one source and the item or service is one which does not lend itself to substitution. Said bids must be confirmed in writing and justified in accordance with the provisions of Section VIII(B).
5. Prior Bid, Last Price - After confirming the validity of a prior price, an award may be made on the basis of a prior bid or on the basis of a last price, if the conditions of a previous purchase are similar.
6. Request for Quotation - A written request describing materials, equipment, fixed assets, supplies or services sought which may contain certain plans and specifications. Quotations may be solicited through either formal or informal bid procedures.
7. Formal bidding shall be used when economies of scale can be achieved, when there are equal and competitive products, or when discounts are applicable.

C. Fixed Assets purchases shall be defined as purchases of assets that have a life of at least three years and a total acquisition cost of \$5,000 or more. Purchases of fixed assets are governed by the following:

1. The Manager of the Procurement Section shall be the responsible officer authorized to approve the purchase of budgeted fixed assets up to the amount of \$10,000 upon the request of the appropriate Deputy or Assistant Deputy Executive Officer.

2. The Executive Officer may approve purchases of budgeted fixed assets from \$10,000 to \$75,000 and unbudgeted fixed assets up to \$10,000, or in case of an emergency or interruption of AQMD operations, up to \$50,000.
3. Purchases of budgeted fixed assets over \$75,000 and unbudgeted fixed assets over \$10,000, except as provided in paragraph two above, require Board approval.
4. All replaced fixed assets shall be identified in the AQMD's budget by tag number and returned to the Manager of the Procurement Section upon receipt of the purchase of the replacement.
5. The Manager of the Procurement Section may, by direct sales or otherwise, sell or dispose of any fixed assets belonging to the AQMD and found by the AQMD Board not to be required for public use.
 - a. All moneys collected from the proceeds of sales are to be deposited in the AQMD's bank account.
 - b. No member of the AQMD Board or family member and no AQMD employee or family member shall be permitted to purchase any assets or supplies of the AQMD, except those items disposed of in an open public auction.
 - c. Upon finding that it is in the best interests of the AQMD, the AQMD Board may authorize transfer of equipment, supplies, and materials for nominal monetary consideration to public agencies, nonprofit organizations that meet the requirements of Section 501(c) of the Internal Revenue Code, or educational institutions for use in air quality improvement or other activities in the public interest.
6. The Manager of the Procurement Section may upon written approval of the Executive Officer or his or her designee purchase unbudgeted fixed asset items having a total unit cost not exceeding \$10,000, (including freight and taxes). The purchase of unbudgeted fixed assets having a total unit cost in excess of \$10,000 shall be made by the Manager of the Procurement Section only after approval of such purchase by the AQMD Board.

SECTION V: CONSTRUCTION, ALTERATION, OR IMPROVEMENT OF AQMD FACILITIES

A. Cost of Proposed Construction Does Not Exceed \$75,000

1. The Executive Officer may contract for the construction, alteration, or improvement of AQMD facilities when the total cost of the proposed, budgeted construction, alteration, or improvement does not exceed \$75,000 in any one fiscal year. The Executive Officer may approve up to an additional \$75,000 in costs for each contract in each subsequent fiscal year.
2. Depending on the nature of the work to be performed, detailed plans and specifications are not required. However, any change or alteration of such plans and specifications shall be in writing.

3. Bids of \$20,000 or less may be awarded by the Executive Officer based upon written bids received from at least one licensed contractor in response to a written invitation to bid.
4. Bids greater than \$20,000 may be awarded by the Executive Officer after soliciting bids in accordance with the public advertising requirements set forth in Section VII of this policy.

B. Cost of Proposed Construction Exceeds \$75,000

1. The AQMD Board may contract for the construction, alteration, or improvement of AQMD facilities.
2. The AQMD Board shall adopt detailed plans and specifications for the work.
3. All bidders shall be afforded the opportunity to examine the plans and specifications. Any changes or alterations of the plans and specifications shall be in writing.
4. The bidding procedures set forth in Section VI of this policy shall be followed for **idle** projects when the cost of proposed construction alteration or improvement is estimated to exceed \$75,000.
5. The AQMD Board shall, to the greatest extent practicable, award the contract to the lowest cost responsive bidder, except as provided in Section VI(C). The person to whom the contract is awarded shall perform the work in accordance with the plans and specifications.
6. The person to whom the contract is awarded shall execute a completion and performance bond, to be approved by the Executive Officer, for the faithful performance of the contract.
7. If the cost of work is reduced by reason of any modification of the plans and specifications, such reduced cost shall be credited to the AQMD.
8. If the cost of the work increases for any reason, the Executive Officer may authorize the additional work up to an amount not to exceed \$75,000 in any one fiscal year. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. If the cost exceeds the original contract by over \$75,000 in any one fiscal year, Board approval will be required.

- C. All solicitations for construction, alteration, or improvement of AQMD facilities shall require contractors to comply with applicable federal laws including but not limited to the Copeland Anti-Kickback Act, the Davis Bacon Act, the Contract Work Hours and Safety Standards Act, Occupational Safety and Health Act and applicable state laws governing health and safety, workers compensation prevailing wage rates, and labor hours.

SECTION VI: BIDDING PROCEDURES

A. Request for Quotations

1. When the term "Request for Quotations" (RFQ) is used in this policy, the following is meant: The responsible staff person shall, in writing, solicit quotations from qualified bidders. The prospective bidders shall be sent an RFQ which specifies the materials, equipment, fixed assets, supplies, or services sought and the date by which bids are required, which date shall be at least 30 days from the date and time the RFQ is mailed. Waiver of the 30-day period must be approved by the Executive Officer.
2. In all cases in which written specifications are prepared and submitted for public bid and a trade name is specified, the specifications shall contain the phrase "or equal" and a bidder shall be allowed to bid upon a specific trade name product or its equivalent in quality and performance.
3. Subject to other provisions of this policy, a bid will be awarded to the lowest responsive, qualified bidder whose bid is in accordance with prescribed requirements and/or specifications.
4. The preparation of detailed specifications or obtaining of bids may be waived by the Executive Officer or his or her designee if proper justification has been provided that:
 - a. The items are available from only one source;
 - b. Public health or property may be endangered by delay;
 - c. An emergency or interruption of AQMD operations has occurred;
 - d. Required construction, repair, or project completion dates cannot be met;
 - e. Used or surplus equipment or supplies cannot be covered by specifications or plans;
or
 - f. Other circumstances exist which, in the determination of the Executive Officer, require waiver in the best interests of the AQMD.

B. Acceptance or Rejection of Bids

1. The AQMD Board or appropriate officer may accept or reject all or any bids and quotations or may accept or reject a part of any bid and to waive technical defects if to do so best serves the interests of the AQMD. Preference will be given, however, to the lowest cost responsive bidder.
2. In the event all bids or quotations are rejected, the AQMD Board or appropriate officer, may take any of the following actions:
 - a. Solicit new bids or quotations. In the event that a "Notice Inviting Bids/Proposals" was required, the notice must be readvertised.
 - b. Proceed to purchase equipment, materials, services, fixed assets or supplies through the State General Services Agency pursuant to Government Code Section 54205, if feasible.

3. The Executive Officer and/or Governing Board may award the contract to a bidder, other than the bidder determined to be the lowest bidder, in the event the Executive Officer and/or the Governing Board determine that another bidder would provide the best value to the AQMD. In such case, the supporting rationale for such a determination must be provided. The determination shall be on the Plans and Specifications in the RFQ and on evidence provided in the quotation and/or any other evidence provided during the bid review process. Evidence provided during the bid review process is limited to clarification by the bidder of information presented in his/her proposal/quotation.
- 4 In the event that no bids were received after a written solicitation or advertising, the AQMD Board or Executive Officer, may contract for the equipment, fixed assets supplies, materials, or services on a sole-source basis.

SECTION VII: PUBLICATION REQUIREMENTS FOR ADVERTISED PROCUREMENTS

- A. For any purchase of alterations or improvements to AQMD facilities, services, materials, equipment, or fixed assets estimated to exceed \$25,000, the following procedures apply unless a written determination has been made by the Executive Officer or his or her designee that the estimated cost of the procurement does not justify the cost of advertising:
 1. A "Notice Inviting Bids/Proposals" shall be published in a newspaper of general circulation at least once a week for two successive weeks. Two publications in a newspaper published once a week or more often, with at least five days intervening between the respective publication dates are sufficient. The period of notice commences on the first day of publication and terminates at the close of business on the fourteenth day.
 2. One or more "Notices Inviting Bids/Proposals" shall be published in one or more of the following, whichever would allow the notice to be distributed to the largest number of persons or firms qualified to do the work:
 - a. Newspapers of general circulation (mandatory)
 - b. California State Contracts Register
 - c. Journal of the Air & Waste Management Association
 - d. ARB Computer Bulletin Board
 - e. Professional journals and trade publications including small, minority, women, and veteran business publications, and
 - f. AQMD Website on the Internet
 3. The "Notice Inviting Bids/Proposals" shall contain a brief description of the equipment, materials, supplies, or services sought, the address where the plans and/or specifications

may be inspected or where additional information may be obtained, and time and place of delivery of the Bid or Proposal.

4. A listing of open RFQs and RFPs will be made available to various legislative caucuses, community groups, trade organizations, chambers of commerce and other interested parties at the time the Notice Inviting Bids/Proposals is submitted for publication. Parties desiring copies of any of the RFQs or RFPs will be advised that a complete copy can be obtained by downloading it from the AQMD website or requesting a hard copy from the designated AQMD contact.

SECTION VIII: CONTRACTING FOR CONSULTING AND PROFESSIONAL SERVICES

A. General

1. It is the policy of the AQMD to utilize the most highly qualified professional services to carry out the responsibilities of the AQMD.
2. Due to the nature of the work to be performed or the staffing level required, it may, from time to time, be necessary to utilize the services of outside contractors/consultants who are not employees of the AQMD.

B. Contracting Methods

1. Proposals shall be solicited under the provisions of Section VII unless the Executive Officer waives the provisions of this Section based upon a written documentation justifying a sole-source award.
2. Written justification for a sole-source award must be provided documenting that:
 - a. The cost of labor for preparation of the described documents exceeds the possible savings that could be derived from such detailed documents; or
 - b. Public health or property may be endangered by delay; or
 - c. The desired services are available from only the sole-source based upon one or more of the following reasons:
 - (1) The unique experience and capabilities of the proposed contractor or contractor team;
 - (2) The project involves the use of proprietary technology;
 - (3) The contractor has ownership of key assets required for project performance; or
 - d. Other circumstances exist which in the determination of the Executive Officer require such waiver in the best interests of the AQMD. Such circumstances may include but are not limited to:
 - (1) Projects involving cost sharing by multiple sponsors

- (2) Time extension of an existing contract;
- (3) Projects involving a commitment to multiple project phases;
- (4) Level-of-effort expert consultation services;
- (5) Performance of AQMD work concurrent with local government official duties;
- (6) Projects requiring compatibility with existing specialized equipment;
- (7) Cooperative internship programs with accredited colleges and universities;
- (8) Research and development efforts with educational institutions or nonprofit organizations.

C. Selecting the Appropriate Contracting Method

1. Prior to the letting of a contract for consulting or professional services, AQMD staff shall prepare the following:
 - a. A written assessment of the objectives of the project or study in which previous work, if any, on the same subject shall be reviewed, including an assessment of current and future AQMD needs for the project and an estimate of the project cost;
 - b. A statement of work to be performed in carrying out the project or study;
 - c. A statement of the qualifications of persons necessary to perform the work including a description of experience, education, and training, and related work in general and specific fields; and
 - d. An assessment of the resources needed to carry out the project or study including, facilities, laboratory, equipment, and computer hardware and software.
2. Based upon an evaluation of the documentation prepared pursuant to Paragraph C1 and any other information deemed necessary, the Executive Officer or his or her designee shall:
 - a. Evaluate the ability of AQMD staff to perform all or part of the work, taking into consideration AQMD staff resources and other work being performed by AQMD staff; or
 - b. If it is determined that all or part of the work should be done pursuant to a contract for professional consulting services, the Executive Officer shall determine if the services shall be procured on a sole-source in accordance with the criteria set forth in Paragraph B2 above or a competitive basis. On contracts for budgeted items over \$75,000 or unbudgeted items over \$10,000, the Executive Officer shall recommend to the AQMD Board that a sole-source contract be awarded. If a sole-source contract is

approved by the AQMD Board, it may designate who is authorized to execute the contract.

3. If it is determined that the services should be procured competitively, the AQMD staff member responsible for originating the requirement shall prepare an RFP using the most current version of the sample RFP contained on the AQMD computer network and prepare a Bidders Mailing List. At a minimum, the RFP should contain the following areas specifically tailored to the requirement:
 - a. Background/Schedule of Events
 - b. Section III of the AQMD Procurement Policy
 - c. Work Statement/Schedule of Deliverables
 - d. Required Qualifications
 - e. Proposal Submittal Requirements
 - f. Proposal Evaluation Criteria
 - g. Draft Contract
 - h. Certifications and Representations
4. All RFPs must be reviewed by the Manager of the Procurement Section prior to assignment of an RFP number by Procurement staff. RFPs for budgeted items over \$75,000 that deviate from approved AQMD policies and procedures and RFPs for unbudgeted items over \$10,000 must be approved by the AQMD Board prior to release. RFPs for budgeted items up to \$75,000 and unbudgeted items under \$10,000 that comply with AQMD policies and procedures shall be approved by the Executive Officer or his or her designee.
5. RFPs estimated to exceed \$25,000 will be advertised in accordance with the procedures set forth in Section VII. The Notice Inviting Proposals shall specify the services sought and the date by which proposals are required, which date shall be at least 30 days from the date and time the RFP is mailed. Waiver of the 30-day period must be approved by the Executive Officer.

D. Proposal Evaluation and Contract Award

1. Sole-source proposals or a competitive proposal which is the sole response to an RFP should be evaluated by the originator of the requirement to ensure that the proposal is technically acceptable and that the proposed amount is reasonable based on previous proposals for similar work, knowledge of the marketplace, and AQMD's independent cost estimate. Documentation regarding the reasonableness of the proposed cost must be provided along with the sole-source justification.
2. Competitive proposals will be evaluated by a panel of three-to-five AQMD staff familiar with the subject matter of the project. The panel shall be appointed by the Executive Officer or his or her designee to evaluate the submitted proposals. In addition, the evaluation panel may include such outside public sector or academic community

expertise as deemed desirable by the Executive Officer. The Executive Officer or his or her designee shall appoint a chairman from this group.

a. Evaluation of Proposals.

Each member of the evaluation panel shall be accorded equal weight in his or her rating of the proposals. The evaluation panel members shall evaluate the proposals according to specified criteria and shall assign a numerical score to each evaluation factor. Suggested guidelines for technical criteria and weightings are set forth below, but may be modified by the RFP originator based upon the specific project requirements and approval by the responsible Deputy Executive Officer.

b. Sample Proposal Evaluation Criteria

(1) Standardized Services	<u>Points</u>
Understanding of Requirement	20
Contractor Qualification	20
Past Experience	10
Cost	<u>50</u>
TOTAL:	100
(2) R&D Projects Requiring Technical or Scientific Expertise, or Special Projects Requiring Unique Knowledge or Abilities	
Understanding the Problem	20
Technical/Management Approach	20
Contractor Qualifications	20
Previous Experience on Similar Projects	10
Cost	<u>30</u>
TOTAL	100
(3) Additional Points	
Small Business or Small Business Joint Venture	10
DVBE or DVBE Joint Venture	10
Benefits Incentive Business	10
Use of DVBE or Small Business Subcontractors	7
Low-Emission Vehicle Business	5
Local Business (Non-EPA Funded Projects)	5
Off-Peak Hours Delivery Business	2

To receive additional points in the evaluation process for the categories of Small Business or Small Business Joint Venture, DVBE or DVBE Joint Venture or Local Business (for non-EPA funded projects), the proposer must submit a self-certification or certification from the State of California Office of Small Business Certification and Resources at the time of proposal submission certifying that the proposer meets

the requirements set forth in Section III. To receive points for the use of DVBE and/or Small Business subcontractors, at least 25 percent of the total contract value must be subcontracted to DVBEs and/or Small Businesses. To receive points as a Low-Emission Vehicle Business, the proposer must demonstrate to the Executive Officer, or designee, that supplies and materials delivered to the AQMD are delivered in vehicles that operate on either clean-fuels or if powered by diesel fuel, that the vehicles have particulate traps installed. To receive points as an Off-Peak Hours Delivery Business, the proposer must submit, at proposal submission, certification of its commitment to delivering supplies and materials to AQMD between the hours of 10:00 a.m. and 3:00 p.m. To receive points as a Benefits Incentive Business, the proposer must provide, at a minimum, health insurance at one of the levels identified in Paragraph d below. Documentation showing proof of such insurance coverage must be submitted with the proposal. The cumulative points awarded for Small Business, DVBE, use of Small Business or DVBE Subcontractors, Benefits Incentive Business, Local Business, Low-Emission Vehicle Business and Off-Peak Hour Delivery Business shall not exceed 15 points.

- c. The Procurement Section will be responsible for monitoring compliance of suppliers awarded purchase orders based upon use of low-emission vehicles or off-peak traffic hour delivery commitments through the use of vendor logs which will identify the contractor awarded the incentive. The purchase order shall incorporate terms which obligate the supplier to deliver materials in low-emission vehicles or deliver during off-peak traffic hours. The Receiving department will monitor those qualified supplier deliveries to ensure compliance to the purchase order requirements. Suppliers in non-compliance will be subject to a two percent of total purchase order value penalty. The Procurement Manager will adjudicate any disputes regarding either low-emission vehicle or off-peak hour deliveries.
- d. Benefits Incentive Businesses, in order to receive 10 additional points, must provide affordable health insurance to full-time employees, which are defined as employees who work 30 hours or more per week. Affordable health insurance is defined to mean meeting or exceeding the following minimum levels of coverage:

Employee Deductibles/Fees

PPO Plan Design

In-Network Deductible \$500 single
In-Network Out-of-Pocket Maximum \$2,500
Out-of-Network Co-pay 30%
Office Visit Co-pay \$20 per visit
Retail Drug Co-pay \$11 (generic)/\$24(premium)/\$44(nonformulary)
Mail Order Drug Co-pay \$14 (generic) /\$32 (premium)/\$57 (nonformulary)
Single Contribution 10% or less of premium

HMO Plan Design

Office Visit Co-pay \$20
Inpatient Hospitalization \$250 deductible
Emergency Room Co-pay \$50 per visit

Retail Drug Co-pay \$11 (generic)/\$24(premium)/\$44(nonformulary)
Mail Order Drug Co-pay \$14 (generic) /\$32 (premium)/\$57 (nonformulary)
Single Contribution 10% or less of premium

Documentation to prove insurance coverage may include quotes from health insurance providers or a copy of the most recent health insurance invoice, with an attached Plan Summary. Documentation must not include medical information, employee names, or any personal employee information. An officer of the bidding company must certify in writing that the health insurance information provided is true and accurate and that, if selected, the company will provide health insurance to its full-time employees for the duration of the contract term at the same levels shown above or better. The selected Contractor will be required to update the proof of health insurance on an annual basis and to provide a certified copy of payroll if requested.

- e. For procurement of standardized services, technical factors including past experience shall be weighted at 50 points and cost shall be weighted at 50 points. For procurement of Research and Development (R & D) projects or projects requiring technical or scientific expertise or special projects requiring unique knowledge and abilities, technical factors including past experience shall be weighted at 70 points and cost shall be weighted at 30 points. A proposal must receive at least 56 out of 70 points on R & D projects and projects for unique technical expertise in order to be deemed qualified for award.
- f. The responsible staff person shall prepare a summary of the proposal evaluations and a recommendation for the award to his or her responsible Deputy Executive Officer.
- g. The Executive Officer and/or Governing Board may award the contract to a proposer other than the proposer receiving the highest rating. In the event the Executive Officer and/or Governing Board determine that another proposer from among those technically qualified would provide the best value to the AQMD considering cost and technical factors, supporting rationale for such a determination must be provided. The determination shall be based solely on the Evaluation Criteria contained in the RFP, on evidence provided in the proposal and on any other evidence provided during the proposal review process. Evidence provided during the proposal review process is limited to clarification by the proposer of information presented in proposal.
- h. Contracts for budgeted items over \$75,000 and for unbudgeted items over \$10,000 must be approved by the AQMD Board. The Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year for each contract. Contracts for budgeted items of \$75,000 or less and contracts for unbudgeted items of \$10,000 or less shall be approved by the Executive Officer and the Executive Officer may approve up to an additional \$75,000 in costs in each subsequent fiscal year. After approval by the Executive Officer or AQMD Board, the responsible staff person shall prepare a Contract Request Approval Memorandum, Scope Statement, Work Statement, and Cost or Payment Schedule and forward these documents to the Contracts Unit.

- i. The Contracts Unit will prepare the contract and forward all documents to the responsible staff person for final approvals by the Director, DEO, Manager of the Procurement Section, AQMD Counsel and the Executive Officer.
- j. Once approved, the Executive Officer or his or her designee or the Chair of the AQMD Board, and the successful proposer's authorized official will execute the contract.

Revised 01/08/10