

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Procurement of Contract Services

**Policy  
Number**

A-81

**Page**

1 of 5

Purpose

To establish the policy of the Board with regard to the condition and methods by which all contracts for services may be entered into and to define contract administration responsibilities.

Background

Contracts for services, when properly issued and administered, are an approved method to accomplish County program objectives. Proper contracting safeguards include determining that a service contract is in the public interest, that the services can be provided more economically and efficiently by an independent contractor than by persons employed in the Classified Service, that appropriate competition is utilized to select contractors, that timely contract reviews are made by functional specialists, and that contract administration responsibilities are defined.

Policy

It is the policy of the Board of Supervisors that:

A. The County may Contract for Services when:

1. The Head of a Department has determined in writing that there is a need for the services and that such services are beyond the capability of the County staff; or when it can be demonstrated that the full program cost in relation to the program's effectiveness, innovativeness, and overall excellence outweigh the benefits of the County operating the service; or the cost of service cannot be recovered by the County; or
2. The Head of a Department has determined that the County's staff is unable to perform the required work within the time the public interest requires such work to be accomplished; and
3. The Chief Administrative Officer has determined that services can be provided more economically and efficiently by an independent contractor than by persons employed in the Classified Service of the County, and the Board of Supervisors or the Director of the Department of Purchasing and Contracting, as the County's Purchasing Agent, as appropriate, concurs with such a determination.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

**Subject**

Procurement of Contract Services

**Policy  
Number**

A-81

**Page**

2 of 5

**B. Preferred Procurement Method for Acquiring Services**

As with all County contracting, the preferred means for entering into service contracts is through competition. Listed below are types of competitive procurements:

1. **Formal Competitive Bidding.** A Request for Bids (RFB) is to be used in all cases where tasks to be performed can be described in sufficient detail to permit prospective Offerors to commit a firm bid and award can be made on the primary basis of price. Award shall be made to the lowest, responsive, responsible bidder. To be responsive, a bidder must satisfy all the requirements of the RFB. A responsible bidder is one who has the technical capability, financial capacity to perform as bid, has a satisfactory record of prior performance and is otherwise qualified and eligible to receive an award under applicable laws and regulations.
2. **Competitive Negotiation.** In cases where an RFB is not appropriate, a Request for Proposal (RFP) will be utilized in the solicitation process. Award shall be made to the responsible Offeror whose proposal will be most advantageous to the County, price, and other factors considered.
3. **Noncompetitive Negotiations.** Sole source contracts will be used only in cases where only one source is known or, after a review of the market, a determination is made that there is only one acceptable source that can meet the Department's requirement, or as otherwise allowed or directed by Board Policy. Approval shall be in accordance with Board Policy A-87, Competitive Procurement.
  - a. All sole source contracts with individuals to fill executive positions shall be approved by the Board of Supervisors.

**C. Types of Contracts and Required Audit Cost Recovery Clause**

1. Contracts awarded after Formal Competitive Bidding should be of the fixed-price type. Contracts awarded after a Competitive Negotiation or Noncompetitive Negotiation may vary in contract type, including fixed-price, various incentive contracts and cost-plus-a-fixed-fee. The type of contracts chosen in a negotiated procurement will promote the best interest of the County. Cost-plus-a-percentage-of-cost type contracts shall not be used.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
**BOARD OF SUPERVISORS POLICY**

<b>Subject</b>	<b>Policy Number</b>	<b>Page</b>
Procurement of Contract Services	A-81	3 of 5

2. Service Contracts awarded under this policy shall contain a contract clause allowing the County to obtain full cost recovery for the investigation and audit of a contractor subsequently found to have violated the terms of the contract. Reimbursement shall include all direct and indirect expenditures incurred to conduct the audit/investigation. The contract clause(s), to be approved by County Counsel, shall include provisions that such costs may be withheld from any amounts due to the contractor pursuant to the payment terms of the contract.

**D. Contract Administration Responsibilities**

The Department Head of the Department requesting the contracting of services is responsible for recommending selection of the contractor and, after the contract is awarded, has overall contract administration responsibility for the contract. The specific responsibilities of the Department Head and Program Manager are:

1. Department Head - The Department Head shall be responsible for the overall performance of the contract. This includes contract monitoring, which determines if the contractor is performing the contracted services, and contractor evaluation. The evaluation process will determine the effectiveness of the contractor's service delivery process and, to the extent possible, whether the delivered service is accomplishing that which the County intended. The establishment of quantifiable objectives is an essential element of the contract development process to enable evaluation.
2. Program Manager - The Program Manager is responsible for contract administration, i.e., the day-to-day operations of the contract which includes, but is not limited to, ensuring compliance with the technical requirements of the contract and processing of contract payments. The Program Manager will also initiate requests for minor changes in contract scope which will be reviewed by the Department Head. Amendment to contracts must be signed by the authorized contracting authority.

**E. Executive Contract Review**

The County's Executive Team has established a General Management System which allows for the review of selected contracts.

**COUNTY OF SAN DIEGO, CALIFORNIA  
BOARD OF SUPERVISORS POLICY**

<b>Subject</b>	<b>Policy Number</b>	<b>Page</b>
Procurement of Contract Services	A-81	4 of 5

F. Contract Review Process Requirements for Service Contracts submitted to the Board of Supervisors for Approval

Contracts involving the following are excluded from this review process:

- 1) Insurance, supplies, materials, equipment, or sundry services as covered by Charter; Section 705-705.3 and Article Section XXIII, Section 400, et seq. of the Administrative Code;
- 2) Construction contracts as covered by State law;
- 3) Real Property leasing as covered by Board of Supervisors' Policy F-22;
- 4) Contracts subject to the provisions of Board Policy F-40; and
- 5) Retention of services deemed appropriate by the County Counsel.

Contract Review Process

1. All contract actions, except those listed above, must comply with any contract review procedures established by the County's Chief Administrative Officer. Any contract action brought to the Board that has not complied with the Chief Administrative Officer's established procedures must seek a waiver of this policy.
2. Minor changes in contract scope that are submitted to the Board and not within the excluded contracts listed above, including additional funding, contract modification, contract extension, and contract termination must comply with paragraph 1 of this subsection.
3. The Chief Administrative Officer shall establish the necessary review process to ensure that contract action recommendations submitted to the Board of Supervisors comply with all applicable Board Policies and directives.

Sunset Date

This policy will be reviewed for continuance by 12-31-2020.

Board Action

- 04-24-79 (3)
- 05-17-83 (57)
- 05-1-84 (112)
- 11-6-84 (4)

**COUNTY OF SAN DIEGO, CALIFORNIA  
BOARD OF SUPERVISORS POLICY**

**Subject**

**Policy  
Number**

**Page**

Procurement of Contract Services

A-81

5 of 5

08-11-87 (17)  
12-12-89 (49)  
06-5-90 (43)  
12-13-94 (61)  
11-05-96 (13)  
03-12-2002 (10)  
02-27-2007 (9)  
12-09-08 (33)  
08-06-13 (8)

CAO Reference

1. Department of Purchasing and Contracting