



SOUTHERN NEVADA HEALTH DISTRICT DISTRICT-WIDE POLICY AND PROCEDURE

DIVISION: Administration PROGRAM: District-Wide	NUMBER: ADM-089
TITLE: Procurement Policy	EFFECTIVE DATE:
APPROVED BY:	ORIGINATION DATE: November 6, 2019
CHO: _____ Fermin Leguen, MD, MPH Acting Chief Health Officer	LAST REVISION DATE:

I. PURPOSE

To establish procedures for ensuring that all sourcing and purchasing activities for the Health District are in compliance with applicable law and Uniform Guidance.

II. SCOPE

This policy applies to all Workforce Members.

III. POLICY

Workforce Members will make every effort to ensure the acquisition of quality goods and services at competitive costs while adhering to professional standards and practices. The Financial Services Department is responsible for all purchase orders, solicitations, and related contract encumbrances. The Health District has elected to follow OMB M-18-18, which outlines the purchasing thresholds.

The Health District will only award purchases to responsible suppliers possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as supplier integrity, compliance with public policy, record of past performance, suspension and debarment, and financial and technical resources.

A. Purchase Order Approval Authority:

1. The Chief Financial Officer (CFO) or designee is responsible for reviewing and approving all purchase requisitions. Purchase requisitions valued above the applicable purchase threshold will be approved based on the following factors:
 - a. Sufficiency of departmental appropriations
 - b. Compliance with budgetary and fiscal policies
 - c. Compliance with accounting principles and standards
 - d. Reasonableness of the request

2. All purchase orders valued at under \$50,000 will be reviewed for final approval by the CFO, or designee. All purchase orders valued at over \$50,000 will be reviewed for final approval by the District/Chief Health Officer or designee.
3. The Board of Health must approve purchase orders valued over \$50,000.
4. No Workforce Member will make a purchase without an approved purchasing agreement. Exceptions require pre-approval by the CFO in consultation with the District Health Officer. The Workforce Member may be held liable for unauthorized purchases.

B. General Purchasing Requirements

1. **Purchase Orders and P-Cards.** Purchase orders are used for the one-time purchase of specific goods or services and for repetitive purchases of goods and services provided as needed on an on-going basis during the Health District's fiscal year. Generally, all such purchases valued at \$5,000 and over must be made with a purchase order or a contract. Purchases below \$5,000 made with a P-Card must adhere to the P-Card policy. Certain categories of obligations can be paid without a purchase order (see Procurement Manual). Division Directors, Managers, and Supervisors are responsible for ensuring the appropriateness of purchases made with purchase orders. Purchase Order changes will be executed by the Purchasing Agent or designee.
2. **Sole Source.** All exceptions for purchase requests greater than the micro purchase threshold that are not competitively awarded will be documented and approved using the Sole Source Justification Form.
3. **Goods and Nonprofessional Services.** The process and documentation associated with the purchase of goods and nonprofessional services are based on the dollar value of the specific purchase request (see Attachment A). Dividing (splitting) purchasing transactions to avoid the purchasing and approval requirement is prohibited. Goods and nonprofessional service transactions valued over \$50,000 per fiscal year for the same product or service and to the same supplier requires a formal solicitation.
 - a. All purchase requests valued at \$50,000 or over (\$100,000 for construction) requires a formal Request for Proposals (RFP) (unless purchase is a valid sole source).
 - b. All purchases of software, hardware and/or implementation will be requested by the IT Department.
4. **Federally Funded Purchase Order** (including funding used as cost share for a Federal award). Any federally funded procurement activity will be in accordance with the federal procurement requirements and will include flow down clauses stated in the grant or financial assistance agreement. When comparing state and federal procurement standards, the more restrictive standards will apply.

5. Competition. All procurement transactions must be conducted in a manner providing full and open competition. Contractors who develop or draft specifications, requirements, statements of work, or invitations for bids/requests for proposals must be excluded from competing for such procurements. The solicitation may not include geographical preferences in the evaluation of bids or proposals. State licensing laws may be a requirement for a firm to bid. Architectural and engineering services may be limited to a geographic location if there are sufficient firms to compete for the contract. The solicitation must identify evaluation factors and their relative importance. Any response to publicized requests for proposal must be considered to the maximum extent practical.

C. Emergency Purchases

An emergency is defined as a disaster or a situation that may lead to the impairment of health, safety, or welfare of the public if not immediately addressed. The purchasing process for emergencies depends on the severity and resources required to manage the incident. P-Card purchases may be utilized during emergencies. Such purchases will not require prior written approvals.

Department approved invoices for goods or services purchased without a P-Card must be forwarded to Finance for review, approval and payment. If the expenditure(s) for the incident exceeds the dollar threshold for Board of Health consent, Finance will prepare an agenda item for the next regularly scheduled meeting.

- D. Entering into state and local intergovernmental agreements or inter-entity agreements (i.e. NASPO, GPO, GSA) are encouraged. Prior to entering into these agreements, mandatory federal flow down clauses will be included (2 CFR 200, Appendix II), as applicable.

E. Conflict of Interest

Any Workforce Member directly associated with and/or responsible for the procurement of goods, services and/or contracting activities, including requesters and evaluators, are prohibited from having any direct or indirect interest, or any real or apparent conflict of interest, in or with any entity with which the Health District does business. Workforce members violating this standard may be subject to disciplinary action up to and including termination.

IV. **REFERENCES**

- Procurement Manual
- P-Card Policy
- Sole Source Justification Form ([FIN-101](#))
- RFP Request Form ([FIN-106](#))
- OMB [M-18-18](#)
- [2 CFR §200.317-326](#), Procurement Standards
- [2 CFR 200 Appendix II](#), Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

- [NRS 332](#) Purchasing Local Governments

V. ATTACHMENTS

A. Purchasing Process General Guidelines

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ATTACHMENT A

Purchasing Process General Guidelines

Goods and Nonprofessional Services	
\$0.00 to \$10,000.00	Informal Bid – 1 quote required, recommended in writing. If written quote not available, requester must provide a contact name, phone number and e-mail address for the Vendor. Awards will be rotated among Vendors.
\$10,000.01 to \$50,000.00	Informal Bid – Minimum of 2 written quotes required.
\$50,000.01 and over	Formal Competitive Bid Process (requires formal bid document and advertising in local newspaper)

Construction	
\$0.00 to \$1,999.99	Informal Bid – 1 quote required. A purchase order may be issued for construction projects under \$2,000.
\$2,000.00 to \$100,000.00	Informal Bid – minimum of 3 quotes required (Davis Bacon applies if Federally funded)
\$100,000.01 and over	Formal Competitive Bid Process (requires formal bid document and advertising in local newspaper). Extra clauses required, such as certified payroll, state wage rates or Davis Bacon, bonds, insurance, etc.

Information Technology	
\$0.00 to \$25,000.00	Informal Bid – 1 quote required, recommended in writing. If written quote not available, requester must provide a contact name, phone number and e-mail address in the PR Note section for the Vendor. Awards will be rotated among Vendors.
\$25,000.01 to \$250,000.00	Informal Bid – Minimum of 2 written quotes required for properly licensed contractors.
\$250,000.01 and over	Formal Competitive Bid Process (requires formal bid document and advertising in local newspaper).

Federally Funded or funding uses as cost share for a federal award Purchases (supersedes above)	
\$0.00 to \$10,000.00	Informal Bid – 1 quote required, recommended in writing. If written quote not available, requester must provide a contact name, phone number and e-mail address in the PR Note section for the Vendor. Awards will be rotated among Vendors.
\$10,000.01 - \$50,000.00	Informal Bid, competitively awarded, with a minimum of 2 written quotes required.
\$50,000.01 and over	Formal Competitive Bid Process (requires formal bid document and advertising in local newspaper).