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San Bernardino County Employees' Retirement Association

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Area Administration
Applicability SBCERA systemwide

Policy for Procurement Other than Investment Management Services

POLICY NO. 011

I. PURPOSE

The purpose of this Policy is to provide criteria for determining the processes through which the San Bernardino County Employees' Retirement Association (SBCERA) may procure goods and services other than investment management services. Services should be procured in a manner that provides optimum value to SBCERA in consideration of product or service quality, life cycle, operating efficiency, warranty, maintenance cost, and compatibility with existing equipment or systems, cost, and other appropriate factors. These factors should be given different weights, depending upon the goals of the procurement. Not all factors will apply in all cases.

This policy is intended to provide flexibility to the Board and staff to utilize the process that will best achieve the goals of the procurement, while also providing guidelines and ensuring appropriate oversight.

II. OPERATING CRITERIA

- 1. Where the Value of the Goods and/or Services to be procured or rendered do not exceed \$35,000 in any given fiscal year, no formal procurement process will normally be required, and the CEO may approve the procurement and execute any Contracts without Board approval, but the CEO shall place on file documentation of the rationale for the procurement, including the methods used, for example, any informal solicitation of quotes or assessment of value or quality, to achieve the purposes of this Policy.

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2. Where the Value of the Goods and/or Services to be procured exceeds \$35,000, but does not exceed \$100,000 in any fiscal year, Board approval is required, but no formal procurement process will normally be required, except where it will produce the optimal result, in light of the factors stated in the "Purpose" section above, and also in light of any delay that a formal process might require, the cost of the staff time required to manage a formal process, and the likelihood that the advantages of a formal process will outweigh the costs. In any case where a formal procurement process is not used, the staff's memorandum to the Board shall provide documentation of the rationale for the procurement, including the methods used, for example, any informal solicitation of quotes or assessment of value or quality, to achieve the purposes of this Policy.
3. Where the Value of the Goods and/or Services to be procured exceeds \$100,000 in any fiscal year, a Formal Procurement Process shall be used unless an exception applies. In any case where a formal procurement process is not used, the staff's memorandum to the Board shall provide documentation of the rationale for the procurement, including the methods used, for example, any informal solicitation of quotes or assessment of value or quality, to achieve the purposes of this Policy. Exceptions are as follows:
 - A. Where the CEO concludes, and the Board concurs, that a Formal Procurement Process would be unavailing or would not produce an advantage, or where advertising for competitive bids or proposals would be undesirable, impractical, or impossible, in consideration of the principles stated in *Graydon v. Pasadena Redevelopment Agency* (1980), 104 Cal.App.3d, and related California caselaw;
 - B. When contracting for utilities or similar services such as, land-line telephone and internet, when the cost for such services has already been approved in the annual Board budget, no Formal Procurement Process is required and the Contract may be approved by the CEO.
 - C. Purchases for non-capital expenditures and/or the renewal of existing computer software and hardware licenses, maintenance agreements, or cloud based subscriptions, and purchases made pursuant to projects not of construction work, that are specifically identified and approved by the Board in the Annual Budget may be approved by the CEO, to any amount, provided however that any individual purchase of services of \$250,000 or greater shall be approved by the Board.
 - D. Contracting for medical advisor services;
 - E. Contracting for litigation attorneys handling specific cases;
 - F. Contracts resulting from a clause in a similar contract held by another public agency that provides a right to SBCERA to avail itself of the terms of the contract, where the other public agency has entered the contract through a process that is generally sufficient to meet the purposes of this Policy;
 - G. Contracting with a vendor for services recommended by the building manager of 348 West Hospitality Lane, San Bernardino, California, and directly related to the management of that property; or
 - H. Contracts as to which the Board makes findings based upon the recommendations of the CEO and/or its outside consultant(s) that the service provider is the sole reasonably accessible source of necessary or important goods or services.

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4. All Contracts to be entered pursuant to this policy shall be presented to SBCERA's Chief Counsel or his or her designated subordinate attorney, for review and approval as to form and legality, prior to execution by the CEO.
5. Where a Contract is for legal services, Chief Counsel may exercise the powers that would otherwise reside in the CEO pursuant to this policy.
6. Where the Value of Goods and/or Services exceeds \$100,000 in any given year, the Contract shall generally be of no more than five years' duration, unless the Board finds that the specific circumstances of the Contract, the nature of the services or the market therefor, or other compelling factors require a longer term.
7. Where goods or services would naturally and normally be procured in a single Contract or process, such Contract or process shall not be subdivided into multiple Contracts or processes, or divided across multiple fiscal years, in order to evade the requirements of this Policy.
8. The CEO may waive the requirements of this Policy where it is necessary to procure goods and/or services on an emergency basis, and compliance with this Policy would result in delay or other consequences that would seriously impair the ability of SBCERA to discharge its core duties to its members and plan sponsors. All Contracts entered pursuant to this paragraph shall be reported to the Board, with justification therefor, at the next regularly scheduled Board meeting for which an agenda has not already been published.
9. Supplies, equipment or services specifically identified and approved by the Board in the Annual Budget may be procured by the CEO. Such purchases may be obtained from the open market without publication or solicitation of bids, provided that the purchase has been approved by the CEO. Items not specifically identified in the Annual Budget will be initiated and approved in accordance with this Policy.
10. The revisions to this Policy shall not apply to any Contract entered, or Formal Procurement Process initiated, prior to the Board's approval of this Policy update, but shall apply when such Contract is proposed for renewal thereafter.
11. Where a contract requires Board approval, a written final contract need not be presented to the Board prior to that approval unless the CEO deems it necessary under the circumstances of the procurement or the Board requires it, but the final contract shall be consistent with the terms of the Board's approval.
12. Subsequent to the Board's approval of a contract, the CEO may approve change orders which do not exceed the original authorization by more than \$35,000 or 10% of the original contract, whichever is less. Change orders in the excess of these amounts and change orders reflecting a change in the scope or the nature of the project shall be submitted to the Board for approval. The CEO may also approve change orders reflecting a change in date and time for the completion of work, except in circumstances where the change order extends the work beyond 90 days, such change orders shall be submitted to the Board for approval. Change orders approved by the CEO under this authority will be reported to the Board on a quarterly basis.
13. As used this policy, terms shall have the following meanings:
 - A. "Formal Procurement Process" shall mean a Request for Proposals, Request for Information, or other formal process. The selection of a particular type of Formal Procurement Process shall be in the discretion of the CEO, but the rationale shall be presented to the Board at the time of contract approval if such approval is otherwise

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required. The initiation of a Formal Procurement Process shall not require Board approval, unless the Board expressly requires it. The initiation of a Formal Procurement Process shall not constitute a legally binding offer to contract by SBCERA.

- B. "Request for Proposals" shall mean a process requiring proposers to submit detailed proposals for accomplishing the tasks or providing the items required, and shall involve evaluations based on a combination of quality, qualifications, experience, proposed plan of performance, proposal quality, cost, and other criteria as determined, and with relative weights assigned, by the CEO.
- C. "Request for Information" shall mean a process whereby a request is published which seeks to determine the existence, number, and availability of entities that may be able to provide needed or desired goods or services, and which is not necessarily intended to directly result in a contract with a winning proposer, but which may lead to a subsequent process, or directly to contracting if, considering the information submitted, it is determined that an appropriate contracting party or parties can be reliably identified without further process.
- D. "Chief Executive Officer" or "CEO" shall mean the SBCERA Chief Executive Officer or his or her designee.
- E. "Value of Goods and/or Services" shall mean the total value of all goods and/or services to be exchanged amongst all the parties to any contract, which may or may not be fully represented by a specific price or prices stated in the contract. Where a contract does not state a total price, or calls for the delivery of an indefinite quantity of goods or services, the CEO shall use a reasonable, good faith estimate of the likely annual cost to determine which criteria stated in this policy shall be applied.
- F. "Contract" shall mean a voluntary promise or set of promises to which SBCERA is a party, the performance of which the parties thereto intend to make enforceable at law or in equity, and for the breach of which the parties intend that law or equity will provide remedies. Contracts shall be memorialized in writing in a form approved by Chief Counsel or his or her designee and executed by the CEO as authorized herein and in SBCERA's By-Laws, except that the requirement for a written contract may be waived by the approving authority based upon a finding that no written contract is necessary or appropriate in light of the totality of the circumstances.

Approval Signatures

Step Description	Approver	Date
	Debby Cherney: Chief Executive Officer	Pending

Applicability

SBCERA, SBCERA Internal

History

Sent for re-approval by **McInerny, Amy: Chief Financial Officer** on 2/11/2025, 12:02PM EST

No updates necessary.

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