

COUNTY OF MONTEREY



PROCUREMENT MANUAL



CONTRACTS & PURCHASING DIVISION

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INTRODUCTION

The County of Monterey Procurement Manual is a comprehensive guide to provide County staff and stakeholders with a clear understanding of the County's procurement processes and procedures. This manual includes existing policies, guidelines, standard operating procedures, and best practices aimed at ensuring the proper use of procurement processes.

The purpose of this manual is to provide a centralized resource for procurement information, clarify roles and responsibilities within the procurement process, and outline procedures for purchasing goods and services. It is intended to ensure compliance with applicable laws, regulations, and County policies, while promoting transparency, accountability, and fairness in procurement practices.

This manual will be regularly reviewed and updated to reflect changes in laws, regulations, and County policies. It is the responsibility of all County staff involved in procurement activities to familiarize themselves with the contents of this manual and adhere to it.

By following the procedures outlined in this manual, we can ensure that the County's procurement processes are efficient, effective, and conducted with the highest level of integrity.

1. COUNTY OF MONTEREY PURCHASING

1.1 COUNTY ORDINANCE FOR PURCHASING AGENT

1.1.1 2.32.010 - Office Established

Pursuant to the provisions of Government Code Section 25500, et seq., the office of Purchasing Agent is hereby established. The duties of the office of Purchasing Agent shall be performed by the County Administrative Officer or the designee of the County Administrative Officer. The term “Purchasing Agent” as used in this Chapter shall mean the County Administrative Officer or the designee of the County Administrative Officer.

(Ord. 3610 § 12, 1992; Ord. 1030 § 1, 1958)

1.1.2 2.32.020 - General Duties

The Purchasing Agent shall have the duties and powers prescribed by laws of the State of California relating to County Purchasing Agents, and as limited or specifically authorized by this Chapter.

(Ord. 3610 § 13, 1992; Ord. 3536 § 1, 1991; Ord. 1030 § 2, 1958)

1.1.3 2.32.030 - Specific Duties

The Purchasing Agent shall:

- A. Purchase for the County of Monterey and its offices all materials, supplies, furnishings, equipment, livestock and other personal property of whatever kind and nature. Except in cases of emergency as provided in this Chapter and excepting the purchase of road equipment which the Public Works Director is authorized by law to purchase, no purchase of personal property by any person other than the Purchasing Agent shall be binding upon the County or constitute a lawful charge against any County funds.
- B. Rent for the County and its offices, furnishings, equipment, and livestock; excepting, however, such road equipment as the Public Works Director is authorized by law to rent.
- C. Negotiate and execute in the name of the County all equipment service contracts and lease-purchase agreements of personal property;
- D. Negotiate in the name of the County as lessee subject to approval by the Board of Supervisors all rentals of real property which the County may require;
- E. Sell any personal property belonging to the County and found by the Board of Supervisors not to be required for public use, or he or she may, when purchasing personal property for which it is not necessary to advertise for bids, solicit and accept advantageous trade-in allowances for County personal

property which has a scrap value of less than ten thousand dollars (\$10,000.00) and which has been previously determined by the Purchasing Agent to be not further required for public use;

- F. Engage independent contractors to perform services for the County and the offices thereof with or without the furnishing of material where the aggregate cost does not exceed two hundred thousand dollars (\$200,000.00); provided, however, that the foregoing shall not apply to contracts for:
- 1) The construction or repair of any building or structure enumerated in Section 25450 of the Government Code;
 - 2) Work upon the public roads of the County;
 - 3) Election supplies;
 - 4) Expert services to be rendered to the offices of the District Attorney, County Counsel or Public Defender;
 - 5) Legal services;
 - 6) Services associated with the conduct of litigation (as defined in California Government Code Section 54956.9(c)) to which the County, or a public entity for which the Board of Supervisors is legislative body (“County related entity”), is a party;
 - 7) Services associated with the prosecution of cases by the District Attorney, or the defense of cases by the Public Defender;
 - 8) Appraisers’ services;
 - 9) Consultants and other experts employed directly by the Board of Supervisors; or
 - 10) Other services which, by law, some other officer or body is specifically authorized to or charged with obtaining, unless and until the officer or body has requested the Purchasing Agent to enter into such contract, and in such event the contract limits shall be that limit imposed by law upon the officer or body.
- G. Engage independent contractors through the use of informal or formal bidding procedures to construct, repair or furnish any building or structure enumerated in Section 25450 of the Government Code of the State of California when the

cost thereof does not exceed ten thousand dollars (\$10,000.00). (Public Contract Code Section 20150.4)

- H. When specifically authorized by law, purchase for the superintendent of schools or other public officer or agency personal property;
- I. When specifically authorized by law, sell, or dispose of personal property of any special district and pay the proceeds thereof into the treasury of the district, or if an exchange or trade is made, return the proceeds to the special district;
- J. Perform such other services as the Board of Supervisors may from time to time by resolution require.

(Ord. 5070 § 1, 2007; Ord. 3679 § 1, 1993; 1998: Ord. 3610 § 14, 1992; Ord. 3536 § 2, 1991; Ord. 2504 § 1, 1979; Ord. 2157, 1976; Ord. 2022, 1979; Ord. 1664, 1969; Ord. 1030 § 3, 1958)

(Ord. No. 5298, § 2, 2-13-2018)

1.1.4 2.32.035 - Specific Contracts.

Notwithstanding any other provision of this Chapter:

- A. The District Attorney shall have the authority to engage independent contractors for expert and other services associated with the prosecution of cases within the District Attorney's authority where the aggregate cost does not exceed two hundred thousand dollars (\$200,000.00) and provided that sufficient funds for such services have been appropriated in the District Attorney's budget.
- B. The Public Defender shall have the authority to engage independent contractors for expert and other services associated with the defense of cases within the Public Defender's authority where the aggregate cost does not exceed two hundred thousand dollars (\$200,000.00) and provided that sufficient funds for such services have been appropriated in the Public Defender's budget.
- C. The County Counsel shall have the authority to engage independent contractors for:
 - 1) All legal services provided to the County or a County related entity where the aggregate cost does not exceed two hundred thousand dollars (\$200,000.00); and
 - 2) Expert and other services associated with: (a) the assessment and processing of claims against the County, its related entities, or their officers or employees, or (b) the conduct of litigation (as defined in California

Government Code Section 54956.9(c)) to which the County, a County related entity, or their officers or employees are a party, and where the aggregate cost does not exceed two hundred thousand dollars (\$200,000.00). Such services may be paid, as appropriate, from the following sources, provided sufficient funds have been appropriated:

- a) The County Counsel's budget;
- b) The Risk Management General Liability Internal Service Fund;
- c) The Risk Management Workers' Compensation Internal Service Fund;
- d) Another Risk Management Enterprise Fund as established by the Board of Supervisors;
- e) Another department's budget that is responsible for such costs and agreed to by the department, County Administrator, or the Board of Supervisors, as appropriate; or
- f) The Board of Supervisors otherwise makes available sufficient funds.

(Ord. No. 5298, § 3, 2-13-2018; as amended by Ordinance No. 5413, Section 2., 3-26-2024)

1.1.5 2.32.040 - Emergency Purchases

Emergency purchases may be made by any of his or her assistants in the purchasing department authorized to make purchases is not immediately available and the item or items so purchased are immediately necessary for the continued operation of the office or department involved or are immediately necessary for the preservation of life or property. Such emergency purchases shall be subsequently approved and confirmed by the Purchasing Agent or, if her or she refuses such confirmation, the Board of Supervisors may subsequently approve and confirm such purchase by a four-fifths vote of the entire Board. Unless such purchases are so approved and confirmed by either the Purchasing Agent or the Board of Supervisors, the costs thereof shall not constitute a legal charge against the County.

(Ord. 1030 § 4, 1958)

1.1.6 2.32.050 - Revolving Fund.

There is established from the unappropriated funds of the County a revolving fund in such an amount as the Board of Supervisors may from time to time by resolution establish, such fund to be known as the purchasing department revolving fund. The Purchasing Agent may purchase supplies, materials, and equipment in quantity to be

issued to the several offices and departments of the County as needed and shall make payments therefor out of the funds of such revolving fund. As such supplies, materials and equipment are issued to an office or department, the fund shall be reimbursed from the budgeted funds of the requisitioning department. The Auditor shall certify availability of funds in the appropriate budget account of the department before such issues are made.

(Ord. 1030 § 5, 1958)

1.1.7 2.32.060 - Purchasing Procedure

Except as to purchases from the revolving fund, all purchases, rentals, and contracts shall be made only upon proper written requisitions, the forms of which shall be supplied by the Purchasing Agent to the several offices of the County. No purchase order shall be issued until the County Auditor shall have certified that sufficient money is available in the proper budgeted fund of the department to pay for the purchase. The head of any County office, department, or institution or his or her duly designated assistant is authorized to draw requisitions for purchases for such office, department, or institution in accordance with current budget accounts. Such head may delegate such authority to one or more of his or her deputies, assistants, or employees within the department by filing a written authorization therefor with the Purchasing Agent and the Auditor.

(Ord. 1030 § 6, 1958)

1.1.8 2.32.070 - Competitive Bidding not Required

Except as otherwise provided by ordinance or general law, the Purchasing Agent may, without notice, advertisement or the securing of competitive bids or quotations, make any purchase of personal property, or do any other thing which he or she is authorized to do in this Chapter.

(Ord. 1030 § 7, 1958)

1.1.9 2.32.080 - Posting Notices of Sales

Notices of sales of surplus personal property shall be posted for not less than five business days preceding the day of sale in the County courthouse and in the office of the Purchasing Agent and in such other public place within the County as the Purchasing Agent may deem advisable.

(Ord. 1030 § 8, 1958)

1.1.10 2.32.090 - Advertising Proposed Sale

In the disposition of any surplus personal and upon approval of the Board of Supervisors, the Purchasing Agent may purchase advertising space and may advertise the proposed sale or other disposition of the personal property in such newspapers, magazines, and other periodicals as in his or her judgment will best publicize the proposed sale or other disposition to those persons most likely to bid for the purchase of the personal property. Within the limitation of the order of the Board supervisors approving the advertising,

the Purchasing Agent shall decide upon the amount, nature, makeup, and content of the advertising.

(Ord. 1030 § 9, 1958)

1.1.11 2.32.100 - Surplus Pool

Whenever any item of personal property is no longer needed by the office, department, or institution in possession thereof, such fact shall be reported to the Purchasing Agent who may transfer such item to a surplus pool to be maintained under the supervision of the Purchasing Agent. Whenever any office, department or institution is in need of an article which has been placed in such surplus pool or has requisitioned the purchase of a similar article, the Purchasing Agent, upon a properly drawn request for transfer or requisition approved by the administrative officer, may transfer the article to such department.

(Ord. 1030 § 10, 1958)

1.1.12 2.32.110 – Standard Committees

The Purchasing Agent may organize standards committees as needed to establish standards with respect to the type, design, quality or brand of a certain article or group of related articles or services purchased by the County. The membership of the committees shall be the Purchasing Agent, who shall be chairman, the County Administrative Officer and the heads of each County office, department or institution that is a primary user of the item or group of items for which the committee is appointed. Any member for the committee may act through a representative appointed by him or her.

(Ord. 1030 § 11, 1958)

1.2 OFFICE OF THE PURCHASING AGENT/CONTRACTS & PURCHASING OFFICER

1.2.1 Duties of the County Purchasing Agent

Title 3, Division 2, Part 2, Chapter 5, Article 7 (Section 25500 et seq.) of the California Government Code authorizes the Board of Supervisors of the County of Monterey (Board of Supervisors) to employ a County Purchasing Agent to perform certain duties on behalf of the County of Monterey (County). These duties are defined in Government Code Section 25501 and Title 2 of the Monterey County Code (MCC), Chapter 2.32, MCC Sections 2.32.010 through 2.32.030 and MCC Sections 2.32.040 through 2.32.110. (See §1.1.1 - §1.1.10). The County Administrative Officer (CAO) is the County Purchasing Agent (CPA). The duties of the CPA shall be performed by the CAO or designee of the CAO.

MCC Section 2.32.010, which established the Office of the Purchasing Agent, provides as follows:

2.32.010 - Office Established. Pursuant to the provisions of Government Code Section 25500, et seq., the office of Purchasing Agent is hereby established. The duties of the office of Purchasing Agent shall be performed by the County Administrative Officer or the designee of the County Administrative Officer. The term “Purchasing Agent” as used in this Chapter shall mean the County Administrative Officer or the designee of the County Administrative Officer.

(Ord. 3610 § 12, 1992; Ord. 1030 § 1, 1958)

1.1.2 Description

A. The CAO is the CPA per MCC Section 2.32.010. The Contracts and Purchasing Office is a division of the County Administrative Office. The Contracts and Purchasing Office is managed and supervised by the Contracts and Purchasing Officer (CPO). The CAO acting as the CPA or the County Purchasing Officer (CPO) acting as the designee of the CAO/CPA, shall establish methods and procedures necessary for the proper functioning of county purchasing in an efficient, transparent, and economical manner.

Except where statutes or ordinances dictate otherwise, the CAO/CPA, CPO and Deputy Purchasing Agents, acting as the designees of the CAO/CPA, are authorized to carry out the general and specific duties listed in MCC Section 2.32.010 et seq. and this PROCUREMENT MANUAL plus any additional duties as authorized by the Board of Supervisors pursuant to any Board Order or Board Resolution of said Board, any Codified Ordinances of the County of Monterey, or laws of the State of California. The CAO/CPA and the CPO and Deputy Purchasing Agents, acting as the designees of the CAO/CPA, are authorized to:

1. Unless otherwise directed by the Board of Supervisors, or by the Codified Ordinances of the County of Monterey, including but not limited to MCC Section 2.32.035 – Specific Contracts and subject to the review of fiscal provisions by the Auditor – Controller’s Office, review and approval as to legal form by the Office of the County Counsel and review of indemnification and insurance provisions by the Office of the County Counsel – Risk Management, the CAO/CPA and the CPO and the Deputy Purchasing Agents, acting as the designees of the CAO/CPA shall be responsible for engaging independent contractors to perform services for the County and the offices thereof, with or with the furnishing of materials, where the aggregate cost does not exceed \$200,000; and
 2. Approve and confirm emergency purchases; and
 3. Review and approve Sole Source Justification requests; and
 4. Develop County-Wide Service contracts for use by individual departments to order commonly used goods and/or services on an as needed basis; and
 5. Encourage the procurement of “environmentally preferable” products in all bids and solicitations, where practical, that are executed by the County in accordance with current state and/or federal regulations as applicable; and
 6. Review specifications written for the acquisition of goods and services to ensure that they are not unnecessarily restrictive and provide the County with the benefits of open and fair competition; and
 7. Maintain a procurement process which is fair, effective, and efficient.
- B. The CAO/CPA, or the CPO or authorized designee, acting as the designees of the CAO/CPA, is/are responsible for the following:
1. Soliciting bids/proposals for cooperative contracts for County-wide procurement of goods and services; and
 2. Establish procedures to be followed by departments in the procurement of goods and services; and
 3. Establish procedures to be followed by departments for the use of a County issued Purchasing Card Program to promote efficiencies for low dollar purchases; and
 4. Maintain the “vendors list”, as may be required, for use by departments purchasing units for solicitation of bids and proposals; and
 5. Identify other governmental agency cooperative purchasing agreements, that may be executed by local jurisdictions outside of the County of Monterey, that would be beneficial for County use and where appropriate, make these agreements

available for use by County departments in accordance with Section 4.6 of this PROCUREMENT MANUAL; and

6. Pursue cooperative agreements with the state and other governmental agencies and organizations to obtain cost savings for the County and where appropriate, make these agreements available for use by each County department; and
7. Sell County Surplus Property (Surplus) and dispose of surplus property, which includes electronic equipment no longer required for County use, in accordance with applicable state and federal regulations; and
8. Manage a centralized program for the reuse of working electronic equipment to foster reuse by County departments, other governmental agencies, and non-profit organizations which serve the community and/or provide a public benefit; and
9. Assist in identifying new advancements in technology and other innovations in public sector procurement that would be beneficial for County use and, working with the County's Director of Information Technology, as appropriate, to implement these innovations for County-wide use; and
10. Develop training materials and conduct training programs for Deputy Purchasing Agents, and others, as designated by department heads that ensure a County-wide procurement process which is fair, effective, and efficient, and ensures the integrity of the County's procurement process; and
11. Deputize those trained in the procurement process when assured that they are adequately trained to perform with the delegated authority of the CAO/CPA; and
12. Provide support on a consultative basis, as requested by department heads or their designees, in the development of solicitations and contracts and the handling of vendor protests; and
13. Review solicitations and contracts when so requested by department personnel; and
14. Develop and implement a compliance monitoring plan with performance measures to review the procurement documents prepared by the Deputy Purchasing Agents, and to report to the appropriate department heads or designees with recommendations for corrective action to ensure the integrity and efficiency of County procurement processes; and
15. Carry out the other duties and responsibilities as defined in this document; and
16. Encourage County involvement in public procurement organizations to promote the public procurement profession through education and peer networking (California Association of Public Procurement (CAPPO), National Institute of Government Purchasing (NIGP), National Procurement Institute (NPI)); and

17. Amend this PROCUREMENT MANUAL to include additional Board policy, as directed by the Board of Supervisors or the CAO/CPA.
- C. Unless, otherwise authorized by the Board of Supervisors, all County procurement contracts shall be solicited and executed in accordance with the provisions of this PROCUREMENT MANUAL.

1.2.3 Ethical Statement

The CAO/CPA, CPO and Deputy Purchasing Agents, as well as all those involved in County purchasing shall discharge their duties in accordance with high ethical standards by practicing their profession with integrity, honesty, truthfulness, and adherence to the absolute obligation to safeguard the public trust.

1.2.4 Scope

It shall be the duty of the CAO/CPA, and the CPO and Deputy Purchasing Agents, acting as the designees of the CAO/CPA, to purchase for the County of Monterey, its offices, and any dependent special district whose operation and management and funds are under the supervision and control of the Board of Supervisors, and/or the Board of Supervisors acting as the Board of Directors of any dependent special district, all material, supplies, furnishings, equipment, and other personal property of whatever kind and nature.

1.2.5 Signing Authority

Paragraph F of MCC Section 2.32.030 authorizes the Purchasing Agent to engage independent contractors to perform services for the County and the offices thereof, with or without the furnishing of material, where the aggregate cost does not exceed \$200,000.

The CAO/CPA may delegate its authority to a designee.

- a) Pursuant to this PROCUREMENT MANUAL, the duties of the CAO/CPA shall be performed by the CPO acting as the designee of the CAO/CPA.
- b) In the absence of the CPO, the duties of the CAO/CPA shall be performed by the Deputy Purchasing Agents, acting as the designees of the CAO/CPA.

1.2.6 Authority to Procure

- A. No purchase of personal property by any person other than the CAO/CPA or the CPO or Deputy Purchasing Agents, acting as the designees of the CAO/CPA shall be binding upon the County, or constitute a lawful charge against any County funds, except in emergencies and as may be otherwise provided through action by the Board of Supervisors.
- B. Employees responsible for procuring goods and services on behalf of the County or their assigned department shall have the responsibility for approving requisitions for purchases; receiving the goods purchased, or the approval/processing of invoices for payment for said procurements.

1.3 DEPUTY PURCHASING AGENTS

1.3.1 Description

Deputy Purchasing Agents work in the County Administrative Office - Contracts & Purchasing Division under the direction of the Contracts and Purchasing Officer (CPO).

- A. Deputy Purchasing Agents shall be trained and certified through the County's Contracts & Purchasing Academy under the direction of the CPO acting as the designee of the CAO/CPA.
- B. Deputy Purchasing Agents shall follow the procurement policies established herein, as well as those procedures established by the CPO acting as the designee of the CAO/CPA to ensure a procurement system which is fair, effective, efficient, transparent and in compliance with legal requirements, including State, Federal and local regulations and County Policies and Programs adopted by the Board of Supervisors.

1.3.2 Scope

- A. Except as otherwise provided for in this PROCUREMENT MANUAL or as directed by the Board of Supervisors, only those employees who are trained and authorized by the CPO acting as the designee of the CAO/CPA have the authority to procure goods and services by signing contracts on behalf of the County.

1.4 ADDITIONAL BOARD OF SUPERVISORS' APPROVED SIGNING AUTHORITY

1.4.1 Natividad Medical Center

The Chief Executive Officer of Natividad Medical Center ("NMC" or "hospital") has authority to sign contracts on behalf of the hospital through the delegations.

Approved by the County of Monterey Board of Supervisors – October 16, 2007

1.4.2 County Counsel (CC)

Chapter 2.21, of Title 2 of the Monterey County Code provides as follows:

Chapter 2.21 – COUNTY COUNSEL

2.21.010 Intent and Purpose

The County of Monterey has an appointed County Counsel in lieu of receiving legal services from the District Attorney. It is appropriate to set forth more specifically in the County Code the role and duties of the County Counsel and the Office of the County Counsel.

(Ord. No. 5298, § 1, 2-13-2018)

2.21.020 Appointment and Removal

The County Counsel shall be appointed and reappointed, and may be removed, only as set forth in California Government Code section 27641.

(Ord. No. 5298, § 1, 2-13-2018)

2.21.030 Qualifications

The County Counsel shall be at all times a member in good standing of the State Bar of California and licensed to practice law in the state of California. The County Counsel shall also be admitted to practice law in the United States District Court for the Northern District of California and the United States Court of Appeals for the Ninth Circuit or shall seek appointment to those jurisdictions immediately upon appointment.

(Ord. No. 5298, § 1, 2-13-2018)

2.21.040 Rights, Privileges and Duties

The County Counsel shall have and discharge all of the rights, privileges, and duties set forth in Chapter 12 of Part 3 of Division 2 of Title 3 of the California Government Code (commencing with Section 27640) and the rights, privileges, and duties of the District Attorney other than public prosecutor as set forth in Articles 2 and 3 of Chapter 1 of Part 3 of Division 2 of Title 3 of the California Government Code (commencing with section 26520).

(Ord. No. 5298, § 1, 2-13-2018)

2.21.50 Sole Legal Advisor

- A. Consistent with State law, the County Counsel shall be the sole legal advisor to the County, the Board of Supervisors, public entities for which the Board of Supervisors is the legislative body ("County related entities"), and all elected or appointed officers of the County or County related entities acting in the officers' official capacity. The County Counsel shall appoint such assistants and deputies as may be necessary to perform the duties of office, subject to the budgetary control of the Board of Supervisors.
- B. Consistent with State Law authorizing appointment of a County Counsel, to avoid conflicting advice and to provide for consistent applications of the law, elected or appointed officers of the County and County related entities shall not have any authority to contract for legal services, and shall not seek or receive legal advice in their official capacity from anyone other than the County Counsel, except:
 - 1. Upon the recommendation and concurrence of the County Counsel

- a. When specialized legal services are necessary that the County Counsel's Office cannot provide;
 - b. The County Counsel determines that it is in the entity's or officer's best interest; or
 - c. In order to avoid an actual or potential conflict of interest in the representation of multiple parties; or
 - 2. In the case of a disqualifying conflict of interest of the County Counsel, but then only if an appropriate ethical wall cannot be established that allows an assistant or deputy county counsel to provide legal advice.
- C. The Board of Supervisors retains the authority granted by State law and may, upon 4/5 vote, retain outside legal counsel for the benefit of the County when:
- 1. Specialized legal services are necessary that the County Counsel's Office cannot provide;
 - 2. The workload of the County Counsel's Office prevents adequate representation without short-term additional staff;
 - 3. It is necessary to avoid an actual or potential conflict of interest in the representation of multiple parties;
 - 4. There is a disqualifying conflict of interest of the County Counsel, but then only if an appropriate ethical wall cannot be established that allows an assistant or deputy county counsel to provide legal advice; or
 - 5. The Board finds that it is in the best interest of the County.
- D. Subject to the limitations on contracting authority set forth in this Code or state law, the County Counsel shall execute and manage all contracts for legal and related services entered into for the benefit of the County, County related entities, and their elected or appointed officers.

(Ord. No. 5298, § 1, 2-13-2018; See also Ordinance No. 5413, Section 2, adopted March 26, 2024, Ordinance to Amend Section 2.32.035 regarding the authority of the District Attorney, Public Defender and County Counsel, set forth above at §1.1.4, which revised MCC Section 2.32.035 - Specific Contracts.)

2.21.060 Risk Management

Risk management functions for the County of Monterey shall be discharged in the County Counsel's Office. The County Counsel shall appoint and supervise the County's Risk Manager, who shall discharge the duties of Risk Manager, including as set forth in the County Code, either directly or through designees. The County Counsel may organize the County Counsel's Office in a manner the County Counsel deems appropriate for the discharge of the County's risk management functions.

(Ord. No. 5298, § 1, 2-13-2018; Ord. No. 5395, § 2, 1-31-2023)

1.4.3 Monterey County Water Resources Agency (MCWRA)

Pursuant to the Monterey County Water Resources Agency Act (California Water Code, Appendix 52, Section 58, and as may be amended from time to time, the County Purchasing Agent, which is the County Administrative Officer or designee, for the County of Monterey shall be an ex officio Purchasing Agency for the MCWRA. Also, the MCWRA General Manager may submit to the MCWRA Board of Directors for approval of any contract within the Purchasing Agent's Authority. Per an October 16, 2018, MCWRA Board of Supervisors Order, the MCWRA General Manager is authorized to engage independent contractors on behalf of MCWRA to provide goods and services where the aggregate cost does not exceed \$100,000.

(Board of Supervisors Order dated October 16, 2018, File ID No. WRAG 18-213)

1.4.4 Laguna Seca Recreational Area

The Board delegated contract authority to the person designated as the County Representative by the CAO.

1.4.5 California Public Contract Code

Division 2 of the California Public Contract Code, as may be amended from time to time, is hereby incorporated by reference into this Procurement Manual. The following website is provided for reference purposes: [California Legislative Information](#)

1.5 COUNTY OF MONTEREY CONTRACTS & PURCHASING POLICIES

1.5.1 Procurement Policy Policy

It is the policy of the County of Monterey to centralize the purchasing of goods and services, to the extent possible, under the administration of an authorized purchasing agent. The County Administrative Officer (CAO) or their designee is the County's Purchasing Agent pursuant to Monterey County Code Section 2.32.010 et seq. which states:

2.32.010 - Office Established Pursuant to the provisions of Government Code Section 25500, et seq., the office of Purchasing Agent is hereby established. The duties of the office of Purchasing Agent shall be performed by the County Administrative Officer or the designee of the County Administrative Officer. The term "Purchasing Agent" as used in this Chapter shall mean the County Administrative Officer or the designee of the County Administrative Officer.

(Ord. 3610 § 12, 1992; Ord. 1030 § 1, 1958).

The County Administrative Officer or their designee, which may include the Contracts & Purchasing Officer and County Administrative Office - Contracts and Purchasing Division Staff as designated by the CAO shall perform the duties of the County's Purchasing Agent.

Except as otherwise noted in this manual, no purchase of personal property by any person other than the County's Purchasing Agent or their designee shall be binding on the County or constitute a lawful charge against County funds.

The CAO - Contracts & Purchasing Division is charged with the responsibility of administering the procurement of goods and services for use by all County Departments. The laws of the State of California and the Monterey County Code and its ordinances govern its procedures.

The CAO - Contracts & Purchasing Division provides a resource of information and procurement solutions. A staff of professional Buyers and Management Analysts provide purchasing services. Buyers and Management Analysts shall endeavor to become knowledgeable in the various commodities assigned to them as required to perform transactions in a fair and objective manner.

It is the CAO - Contracts & Purchasing Division's policy to provide procurement and contract services to County Departments in the most cost-effective manner. Quality, value, and service shall be emphasized, through the use of active competition, good governmental business practices and efficient administration.

It is the policy of the CAO - Contracts & Purchasing Division to seek competitive quotations before committing County funds to the extent reasonably possible. It is not mandatory to accept the lowest bid, or to use the competitive bidding process if such action is determined by the CAO - Contracts & Purchasing Officer in their capacity as the designee of the County's Purchasing Agent to be in the best interest of the County.

The CAO - Contracts & Purchasing Division is considered to be the liaison between the County and the vendor community. It is the responsibility of the CAO - Contracts & Purchasing Division to provide County standard operating procedures for the procurement of goods and services for County departments from qualified, registered, responsible vendors at the lowest possible cost in a timely manner.

All County employees are required to avoid conflicts of interest in matters of procurement and contracting for goods or services and are subject to remedies provided by law or policy in the event a conflict-of-interest situation arises.

Contractor and Vendor Relationships

It is the responsibility of the CAO - Contracts & Purchasing Division to identify and discourage practices by County Departments that may adversely affect vendor relationships or bargaining position. Some of these practices may include:

- 1) Implied or inferred purchase commitments to vendors.
- 2) Acceptance of sample materials for use or testing without authorization.
- 3) Persistent insistence on the special brands of materials.
- 4) Acceptance of gifts or entertainment from County vendors.
- 5) Agreement to accept materials other than those specified on the purchase order.

In all matters of procurement, County officials shall follow sensible and ethical business practices while complying with existing statutes and Board approved policies.

1.5.2 Procurement Card Policy (Exhibit A)

Link: [Procurement Card Policy](#)

1.5.3 Monterey County Local Preference Policy (Exhibit B)

Link: [Monterey County Local Preference Policy](#)

1.5.4 CPP1001 – Purchasing Process Policy

Purpose

The purpose of this Policy is to provide requirements and standard operating procedures to the informal and formal purchasing process for County Departments to engage in services with outside Contractors.

All processes that fall outside of this Policy and the exception herein must be approved by the Board of Supervisors. In the event there is any conflict between this Policy and

the Monterey County Code, California Government Code, Public Contract Code and/or any other State, Federal or local laws applicable to procurement, the Monterey County Code and any applicable State, Federal or local laws shall prevail.

1.1 Department Responsibilities

- 1) Departments are responsible for ensuring Agreement documents are properly reviewed and executed. The signatories for Agreement documents shall be in sequential order as follows:
 - a) Vendor
 - b) ITD (as necessary)
 - c) Office of the County Counsel
 - d) Auditor-Controller's Office
 - e) Risk Manager (as necessary)
 - f) Contracts and Purchasing Officer (or CAO/County Purchasing Agent's designee for Agreements up to \$200,000 or Board-Approved Designee for Agreements over \$200,000)

1.2 CAO - Contracts & Purchasing Office Signing Authority

- 1) As designated by the County Purchasing Agent, the Contracts and Purchasing Officer shall sign *standard* County Agreements when the cost does not exceed two hundred thousand dollars (\$200,000) across the full term of the Agreement.
- 2) Contracts & Purchasing Officer is the final signature to execute Agreement documents unless otherwise approved by the Board.

1.3 Informal Competitive Bid Process

- 1) For service Agreements for an amount less than \$50,000, Departments obtain two informal quotes and complete the Informal Quotes form during the agreement execution process. Department includes the completed Informal Quotes form during the Agreement execution process and the ERP financial process.
- 2) For service Agreements for an amount greater than \$50,000 but less than \$200,000, Departments obtain three informal quotes and complete the Informal Quotes form. Department includes the completed Informal Quotes form during the Agreement execution process and the ERP financial process.
- 3) Departments shall submit a Sole Source Justification Request Form to the Contracts & Purchasing Officer when they are unable to obtain the required quotes.

1.4 Formal Purchasing Process

- 1) When it is feasible and makes business sense, a formal purchasing process is used when a Department determines to engage in a service Agreement for an amount that shall exceed \$200,000 across the Agreement term.
 - a) The formal purchasing process is a solicitation (RFP, RFQ, or RFI).
 - b) Departments shall work with the CAO - Contracts and Purchasing Division to obtain the project number, determine and document the Intent, Scope of Work (SOW), Background, proposed Calendar of Events, and the Selection Criteria.
 - c) The CAO - Contracts and Purchasing Division provides assistance with the management and administration of the solicitation publication, selection, and tentative award process.

- 2) When it is not feasible to use the formal purchasing process, a Department shall consult with the CAO - Contracts and Purchasing Division and the Office of the County Counsel to determine an alternative procurement process course of action.
 - a) Sole Source Justification
 - b) Direct Source Justification
 - c) Emergency Purchase Order

Please Note: An approved alternative procurement process is *not* an Agreement. Departments shall follow the contract process and include the approved alternative procurement process as an Exhibit to their Agreement.

- a) If the resulting Agreement is for an amount not to exceed \$200,000 aggregate across the Agreement term, the CAO - County Purchasing Officer, in their capacity as the County Purchasing Agent's designee can sign the Agreement without Board of Supervisor's approval if the maximum not to exceed amount of \$200,000 for the term of the Agreement has not been exceeded. In the event additional funds are needed which will bring the maximum not to exceed amount above \$200,000, then Board approval is required to amend the Agreement. Departments are responsible for ensuring that the Contractor has not exceeded \$200,000 within the current fiscal year of the Agreement. Further, for Agreements with a maximum not to exceed amount of \$200,000, County Departments are responsible for ensuring that the not to exceed amount is not exceeded during the term of the Agreement. In the event additional funds are needed which will bring the maximum not to exceed amount above \$200,000, then Board approval is required to amend the Agreement.

- 3) If the resulting Agreement is for an amount that shall exceed \$200,000 aggregate across the Agreement term, the Department must obtain Board of Supervisors'

approval to authorize the CAO/County's Purchasing Agent or their designee to execute the Agreement.

1.5.5 Policy for Federal Grant Procurements

The County is currently pursuing the draft of a Policy for Federal Grant Procurements. Once approved by the Board, the Policy for Federal Grant Procurements will be added to the Manual.

2. ETHICS

2.1 ETHICS IN PUBLIC CONTRACTING - COUNTY EMPLOYEES

2.1.1 Procurement Ethics and Standards of Conduct

Public service and employment are a public trust. Public officials and employees must discharge their duties impartially to assure fair, competitive access to government procurement by responsible contractors. Moreover, they shall conduct themselves in such a manner as to foster public confidence in the integrity of the County procurement process. Use the following six General Principles as a guide to our behavior:

- 1) Treat suppliers, members of the public and fellow employees respectfully, fairly, and honestly, at all times. Discussions with suppliers, customers, and other parties will be sensitive to appropriate procurement confidentiality and fairness issues and comply with the Public Contract Code and the California Public Records Act provisions as applicable to the procurement and bidding process.
- 2) Perform our official duties in compliance with all federal, state, and local laws.
- 3) Conduct our official County duties in conformance with the County's policies and procedures, the Monterey County Code, and in accordance with the highest standards of ethical and legal conduct.
- 4) Ensure that County funds and resources are used with extreme care, guided by prudent judgement and good business practices.
- 5) Create a work environment that promotes open and honest communications and encourages raising ethical concerns without fear of retribution or retaliation.

These General Principles will apply to all County Officials, including elected Officials, employees, volunteers, interns and appointed or elected Boards and/or Commissions, Committees or Subcommittees affiliated with the County of Monterey and any Dependent Special Districts.

2.1.2 Who must comply?

The standards set forth in this manual pertain to all employees, supervisors, managers, and executives engaged in, or responsible for procurement, contracting and contract

administration on behalf of the County of Monterey. Consultants, contractors, or other individuals who participate in the County procurement process are required to be aware of and abide by the County's General Principles regarding **Procurement Ethics and Standards of Conduct** set forth above, and in this **PROCUREMENT MANUAL**.

Failure to adhere to applicable federal and California law, and the County's General Principles regarding Procurement Ethics and Standards of Conduct as set forth herein is subject to disciplinary action up to and including termination, and/or referral to appropriate enforcement agencies. Consultants, contractors, or other individuals are subject to applicable laws and contractual requirements.

2.1.3 When do these Standards apply?

These Standards apply to all phases and aspects of the procurement and contracting life cycle, including but not limited to the following activities:

- 1) **Acquisition Planning – Pre-Contract Activities:** conducting market research, surveys, site visits, preparing specifications, statement of work or other requirement documents, and establishing budgets.
- 2) **Solicitation Phase:** participating in and/or preparing specific solicitations and/or other acquisition documents.
- 3) **Proposal Evaluation and Supplier Selection:** evaluating responses, preparing contract documents, placing and/or approving orders and/or awarding contracts.
- 4) **Post Award Administration:** implementing, monitoring and/or performing contract administration duties, reviewing, or accepting goods and/or services on behalf of the County, approving payment for goods and/or services.

2.1.4 “Arm’s Length” Principle

All procurements must be “arm’s-length” transactions; meaning that the parties to a transaction have no conflict of interest in the transaction. Arm’s length transactions create an equitable agreement that will stand up to legal scrutiny.

2.1.5 General Standards of Ethical Conduct

- 1) Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee’s duties is a breach of public trust.
- 2) Pursuant to the Political Reform Act, which includes the Levine Act at Government Code section 84308 which may be amended from time to time, the County of Monterey prohibits the donation and receipt of gifts to public officials. The County Board of Supervisors has found that the receipt of gifts by public officials from persons who do business with the County erodes public confidence in the impartiality of decisions made by those officials (See Board of Supervisors Policy Manual,

Levine Act Policy, Policy Number G-125, which is hereby incorporated by this reference and as may be amended by said Board from time to time.

- 3) Violation of the Political Reform Act, the Levine Act and Board of Supervisors Manual, Policy Number G-125 may constitute a misdemeanor, and any public official found in violation of these provisions shall be subject to discipline, including, in appropriate cases, termination of employment pursuant to the Monterey County Personnel Policies and Practices Resolution (PPPR) No. 98-394 and as said PPPR may be amended from time to time.
- 4) To the extent that violations of the ethical standards of conduct constitute violations of the state of California Government Code, they shall be punishable as provided therein. Such sanctions shall be in addition to any other remedies which the County may pursue in the best interest of the County and pursuant to the Monterey County PPPR No. 98-394 and as said PPPR No. 98-394 may be amended from time to time.

2.1.6 Conflict of Interest

The State of California Government Code, Political Reform Act, addresses conflicts of interest as follows:

a) Government Code Section 87100:

A public official at any level of state or local government shall not make, participate in making, or in any way attempt to use the public official's official position to influence a governmental decision in which the official knows or has reason to know the official has a financial interest.

(Amended by Stats. 2021, Ch. 50, Sec. 190. (AB 378) Effective January 1, 2022.)

b) Government Code Section 87103:

87103. A public official has a financial interest in a decision within the meaning of Section 87100 if it is reasonably foreseeable that the decision will have a material financial effect, distinguishable from its effect on the public generally, on the official, a member of the official's immediate family, or on any of the following:

(a) Any business entity in which the public official has a direct or indirect investment worth two thousand dollars (\$2,000) or more.

(b) Any real property in which the public official has a direct or indirect interest worth two thousand dollars (\$2,000) or more.

(c) Any source of income, except gifts or loans by a commercial lending institution made in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided or promised to, received by, the public official within 12 months prior to the time when the decision is made.

(d) Any business entity in which the public official is a director, officer, partner, trustee, employee, or holds any position of management.

(e) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating two hundred fifty dollars (\$250) or more in value provided to, received by, or promised to the public official within 12 months prior to the time when the decision is made. The amount of the value of gifts specified by this subdivision shall be adjusted biennially by the commission to equal the same amount determined by the commission pursuant to subdivision (f) of Section 89503.

For purposes of this section, indirect investment or interest means any investment or interest owned by the spouse or dependent child of a public official, by an agent on behalf of a public official, or by a business entity or trust in which the official, the official's agents, spouse, and dependent children own directly, indirectly, or beneficially a 10-percent interest or greater.

(Amended by Stats. 2021, Ch. 50, Sec. 195. (AB 378) Effective January 1, 2022.

Note: This section was added on June 4, 1974, by initiative Prop. 9.)

c) Government Code Section 1090 provides:

(a) Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Nor shall state, county, district, judicial district, and city officers or employees be purchasers at any sale or vendors at any purchase made by them in their official capacity.

(b) An individual shall not aid or abet a Member of the Legislature or a state, county, district, judicial district, or city officer or employee in violating subdivision (a).

(c) As used in this article, "district" means any agency of the state formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries.

(Amended by Stats. 2014, Ch. 483, Sec. 1. (SB 952) Effective January 1, 2015.)

2.1.7 Use of Confidential Information

Confidential information is defined as that information which is available only because of one's status as a County employee. It shall be a breach of ethical standards for any employee or former employee to use confidential information for actual or anticipated personal gain or for the actual or anticipated personal gain of another person.

2.1.8 Purchase of Surplus Material and Equipment

For any employee who participates in the decision to put materials or equipment in surplus status, it shall be a breach of ethical standards for that employee or any members of that employee's immediate family to offer to purchase the same through sealed bid,

auction, or any other manner, or request that acquisition be made on his or her behalf by another person or persons.

2.1.9 Auction Techniques

It shall be a breach of ethical standards for any employee to engage in the practice of bid auctioneering, a technique whereby one vendor is given the price offered by another vendor and asked to submit a lower bid. Bids offered by vendors will not be revealed to anyone until such time as all bids become public information.

2.1.10 Purchase for Personal Use

It shall be a breach of ethical standards for County employees to use the County's procurement personnel or facilities for personal transactions unless such transactions can be shown to be in the County's best economic interest.

2.1.11 Equal Opportunity

County employees shall ensure that all vendors receive an equal opportunity to do business with the County. This opportunity will be provided without regard to race, religion, sex, age, national origin, or physical disability.

2.1.12 Financial Stewardship

The County is committed to the proper expenditure of County funds and the proper use of County assets and property. All employees are required to comply with all applicable federal, state, and local laws, rules and regulations and must act promptly to report and correct problems if discrepancies are discovered.

2.1.13 Confidential Information

The County is committed to protecting the integrity, security and confidentiality of County data and information. The County has developed data classification guidelines to assist in determining the security, protection, and handling protocol for different types of County data and information. The County guidelines extend to all data formats and mediums. For example, there are guidelines for verbal communication, paper documents, electronic information, the physical location, and storage of data, and for data on mobile devices (e.g., laptop, tablets, smart phones). In performance of regular duties and assignments, authorized users must be familiar with and observe the policies and procedures governing County data and information.

2.1.14 County Information Systems

Protecting County information systems and the data and information contained in them from unauthorized access, disclosure, damage, modification, or misuse is essential. Based on best business practices, the County has established policies and procedures to protect County information systems and County telecommunication systems and to guide the acceptable use of County data and information created, accessed, or stored via County information systems or through County internet service. In the performance of regular duties and assignments, authorized users must be familiar with and observe these policies and procedures.

2.1.15 Reporting Violations

Employees shall immediately report issues, problems, concerns or violations of the Standard of Conduct or Conflict of Interest and any possible fraud by departments, programs, contractors, vendors, volunteers, or County employees.

The County takes reports of violations seriously and works to resolve any potential issues as quickly as possible. There are several resources to assist employees. If employees have questions or concerns, they should discuss these matters with a supervisor, manager, or Human Resources contact.

When considering reporting a violation, employees should ask themselves:

- 1) What is the action I perceive violates standards as outlined in the Standards of Conduct or General Principles?
- 2) What is the action that I perceive violates any known law, rule, regulation, or policy and procedure?
- 3) What opportunity has been given to my supervisor or manager to make them aware of and to address the issue (if appropriate)?

2.1.16 Protection Against Retaliation

No disciplinary action or retaliation shall be taken against any employee for reporting in good faith a perceived issue, problem, concern, or violation. Additionally, no reprisal shall be taken against any County officer or employee who participates as a witness during the course of an investigation.

2.1.17 Use of County Property

County-owned property such as vehicles, telephones, fax or copy machines and any other tangible assets are only to be used for official County business. Employees are trusted to use County assets safely and properly. Abuse or misuse of County assets may be cause for disciplinary action.

2.1.18 Four Key Ethical Standards of Conduct for Contracts/Purchasing

- 1) Act for the benefit of the County
 - a) Ensure public money is spent solely for the benefit of the public and is consistent in with applicable Federal, State, and local laws, regulations, policies, and procedures.
 - b) With respect to transactions that you undertake on behalf of the County, account accurately for money paid and property/services received.
 - c) Demonstrate a standard of reasonable and skill that promotes public trust and respect.
- 2) Be familiar with all procurement transactions laws.

- a) Ensure you are aware of current laws.
 - b) Ensure that contracts are in compliance with these laws.
 - c) Consult with the Office of the County Counsel if you have any questions.
- 3) Conduct all County Business in an honest and impartial manner.
- a) Be consistent with the requirements of law, policy, and common sense, maintain appropriate confidentiality in both written and oral communications.
 - b) Immediately inform department/management when procurement and contracting problems (or potential problems) arise.
 - c) Resolve issues effectively and ethically.
 - d) Refraining from exercising any pressure on staff that could be perceived as trying to apply inappropriate influence.
- 4) Avoid actual and perceived conflicts of interest through the entire procurement process.
- a) Do not seek or accept any favors, gifts or benefits that are not offered routinely to the general public, from contractors, suppliers, vendors, firms, or person representing any of these entities or other parties that are doing business or seeking to do business with the County.
 - b) Do not use your job to obtain benefits, directly or indirectly, for yourself or anyone else.
 - c) Immediately report the involvement of a spouse, relative in a procurement transaction on which you are working, to your supervisor, or department management.

2.1.19 Ethical Standards applicable in these Situations

- 1) Acquisition planning and pre-contract activities.
- 2) Solicitation phase.
- 3) Proposal evaluation and supplier selection.
- 4) Post-award administration.

2.2 ETHICS IN PUBLIC CONTRACTING - VENDORS

2.2.1 Conflict of Interest

- 1) County Departments/Employees shall request client lists, disclosure statements, or any other information it may require to determine whether or not a proposer has a conflict of interest which:

- a) May be detrimental to the County's best interest and, therefore, could potentially provide sufficient cause for the County not to enter a contract; or
 - b) May arise during the performance of the required services and, therefore, would provide reason for termination with cause.
- 2) The County will be the sole judge in determining if such a conflict of interest would preclude the County from entering into a contract or provide grounds for termination with cause.
- 3) By participating in any solicitation, bidders/proposers agree to furnish the required information as requested and accept the County's decision as final.
- 4) Employment outside of normal working hours may present a possible conflict of interest and must be reported. Outside employment may be approved by a County Department Head if it is determined not to conflict with or be incompatible with an Employee's County job. Each request is individually reviewed. Declarations of Outside Employment must be filed with the County Human Resources Department.
- 5) County officers and employees are prohibited from engaging in any outside employment or activity that is incompatible with the duties of their County Employment. Each appointing authority of the County of Monterey is required to formulate rules for their employees under their jurisdiction which specify outside compensated activities that are inconsistent and incompatible with their County employment. Prohibited activities include:
 - a) Any activity that involves the use for private gain or advantage of County time or facilities, including outside employment which results in receipt of frequent telephone calls or visitors by employee while on duty at their County employment.
 - b) Any activity which involves the use for private gain or advantage of the badge, uniform, prestige, or influence of the individual's County employment.
 - c) Any activity which involves the receipt by the employee of money or other consideration from private parties for the performance of acts that the employee is expected to render in the regular course of duty as a County employee.
 - d) Any activity that is in conflict with the duties and responsibilities of the employee's department and/or in conflict with the duties and responsibilities of the County.
 - e) Any payment, offer, promise or authorization to pay money or to give anything else of value (commonly referred to as a "bribe" or "kickback"),

either directly or through a third party, intended to influence any act or decision of an official or employee of any governmental agency or its subdivision, including officials or employees of any foreign government or agency with which the County does business.

3. TYPES OF CONTRACT TEMPLATES

3.1 STANDARD AGREEMENT

See *EXHIBIT F*.

Link: [County of Monterey Standard Agreement](#)

3.2 PROFESSIONAL SERVICES AGREEMENT

See *EXHIBIT O*.

Link: [Professional Services Agreement](#)

3.3 COUNTYWIDE SERVICE AGREEMENT

3.3.1 Definition

Countywide Service Agreements (CSA's) are master agreements awarded by the County Administrative Office - Contracts & Purchasing Division. County departments may obtain products and services from vendors/suppliers signed to a CSA without having to execute separate agreements on their own. Each CSA has been awarded as per of a formal solicitation administered by the Contracts & Purchasing Division or awarded as per a solicitation awarded by way of a cooperative agency whose solicitation and contractual process meets or exceeds that of the County of Monterey. In both cases, the CSA is approved by the Board of Supervisors prior to being made available to County departments. Departments can process encumbrances from any of the over 80 individual CSA's within the Countywide Service Agreement Program.

3.4 SOLICITATION DOCUMENT TEMPLATE

See *EXHIBIT H*.

Link: [Solicitation \(RFP, RFQ, Or RFI\) Request](#)

3.5 EXHIBIT A TO AN AGREEMENT

See *EXHIBIT G*.

Link: [Exhibit A to an Agreement – Scope of Services/Payment Provisions](#)

3.7 SOLE SOURCE / SOLE BRAND JUSTIFICATION

See *EXHIBIT C*.

Link: [Sole Source/Sole Brand Justification](#)

4. TYPES OF AMENDMENTS TEMPLATES

4.1 AMENDMENT

4.1.1 Amendment #1 to Agreement

See [EXHIBIT P.](#)

4.1.2 Renewal and Amendment

See [EXHIBIT I.](#)

5. TYPES OF PROCURMENT

5.1 PURCHASE ORDER (PO)

The Award Document that encumbers funds for a one-time purchase of goods (i.e. printer, fax machine).

5.2 BLANKET PURCHASE ORDER (BPO)

The Award Document that encumbers funds for procuring repetitive routine supplies/goods and non-agreement services that cover the current fiscal year.

5.3 EMERGENCY PURCHASE ORDER (EPO)

The Award Document that encumbers funds for goods and services associated with an identified emergency. The department must first contact Contracts/Purchasing and obtain approval.

5.4 DELIVERY ORDER (DO)

The Award Document that encumbers funds against an MYA or MA Award Document.

5.5 JOB DELIVERY ORDER (JDO)

The Award Document for Job Order Contracting services that encumbers funds against the JMYA Award Document.

5.6 MASTER AGREEMENT (MA)

The Award Document used for a Countywide Service Agreement that does not encumber funds. The document is set up and managed by Contracts/Purchasing.

5.7 MULTI-YEAR AGREEMENT (MYA)

The Award Document used for multiyear agreements that do not encumber funds. The document is set up and managed by the Department.

5.8 JOC MULTI-YEAR AGREEMENT (JMYA)

The Award Document used for multiyear Job Order Contracting (JOC) agreements that do not encumber funds. The document is set up and managed by Contracts/Purchasing.

5.9 EMERGENCY MANAGEMENT AGREEMENT (EMA)

The EMA (Emergency Master Agreement) is a non-encumbering requisition in the Advantage system to capture Master Agreements to be used in response to a declared emergency. It will be set up and function like an MA, with limited usage by OES and C & P.

5.10 EMERGENCY DELIVERY ORDER (EDO)

The EDO (Emergency Delivery Order) is the encumbering document used against the EMA to procure the services. It will be set up and function like a regular DO.

5.11 CONSTRUCTION CONTRACT (CT)

The Award document that encumbers funds for new construction project services

5.12 LEASE PURCHASE ORDER (LPO)

The Lease Purchase Order (LPO) is for procurement of leases.

6. EMERGENCY OPERATIONS CENTER - LOGISTICS SECTION

6.1 EMERGENCY OPERATIONS CENTER (EOC)

Emergency Operations Center logistics focuses on procedures and activating, dispatching, distributing, allocating and deactivating resources needed for emergency and disaster operations from government, private, or volunteer sources. Use of available tracking systems, including databases or basic equipment/supply lists for personnel, facilities, equipment, and supplies in the County.

6.2 LOGISTICS CHIEF

The Contracts and Purchasing Officer or their designee operates as the Logistics Chief during a declared emergency. The Logistics Chief is responsible for ensuring that incident personnel have the equipment, supplies, and nutrition they need to meet incident objectives. The mission is to keep the event functioning including communicating operations into all types of support needs, anticipating, filling those needs through an effective resource ordering system and have good financial and procurement knowledge.

6.3 SERVICE

6.3.1 Procurement

The Procurement Unit identifies new or existing suppliers to source non county goods and services. Conducts intermediate purchasing activities, exemptions, or emergency non-competitive actions and may use existing County or cooperative contracts or coordinate the development of new contracts or agreements.

6.3.1.1 Relevant County Positions

The primary relevant County positions to provide services are:

1. Contracts and Purchasing Coordinators
2. Human Resources
3. Information Technology

7. ENVIRONMENTALLY PREFERABLE PURCHASING AND PRACTICES POLICY

See *EXHIBIT E*.

Link: [Environmentally Preferable Purchasing and Practices \(EPPPP\) Policy](#)

8. METHODS OF SOLICITATION

8.1 REQUEST FOR INFORMATION (RFI)

A request for information (RFI) is a process to collect and gather written information about the abilities and services of potential suppliers to help make a decision to determine the solicitation audience.

8.2 FORMAL SOLICITATIONS

8.2.1 Definition

When it is not in the County's best interest to acquire goods or services through normal competitive bidding, a contract may be solicited using the Request for Proposal (RFP) method. Such a situation may arise for any number of reasons, including, but not limited to:

- (1) The County's requirements are not well-defined.
- (2) The County is interested in evaluating a range of offers so that it may take advantage of technical innovation and developments in the marketplace.
- (3) Factors such as availability, expertise, and quality override price as a criteria for award.

8.2.2 Request for Proposal (RFP) Process

A Request for Proposal (RFP) is a formal document issued by the County when seeking to procure a product or service. The RFP document outlines the requirements and criteria including a project's scope, deliverables, and timeline. An RFP's invites qualified vendors to submit proposals for consideration in a competitive, equitable, and transparent process to ensure choosing a vendor via an unbiased scoring process that provides the best value to the County. Bidders submit a proposal to present their solution providing the bidder's method, pricing, delivery, etc.

See *EXHIBIT H*.

Link: [Solicitation \(RFP, RFQ, Or RFI\) Request \(sharepoint.com\)](#)

8.2.3 Requests for Information

When required by the County and determined to be in its best interest, a general Request for Information may be sent to vendors preceding the RFP process. The Request for Information will be a way of determining appropriate proposers.

8.2.4 Request for Quotation or Qualification (RFQ) Process

A request for quotation is usually specific in nature and invites bids on items or services that are clearly specified in the bid. The RFP contains background information, bid

content and format, time frames, instructions, rules, scope of the project, intent, pricing, and payment criteria, but leaves open the actual method, products, labor, material, etc., to the bidder.

A Request for Proposal (RFP) is different from a Request for Quotation or Request for Qualifications (RFQ) in that the RFP invites a bid response in the form of a proposal and generally specifies the bidder's own solution and presents the bidder's method, pricing, delivery, etc.

9. PUBLIC RECORDS ACT REQUEST (PRAR)

9.1 DEFINITION

The Public Records Act is designed to give the public access to information in possession of public agencies (California Government Code Section 7920.000 et seq.). Public records are open to inspection during the office hours of the agency and every person has a right to inspect any public record, except as provided, (and to receive) an exact copy of an identifiable record unless impractical. Specific exceptions to disclosure are listed in Government Code sections 7926.300, 7924.100-7924.110, 7924.005, 7921 et seq., 7927 et seq., 7922 et seq., 7927.105, 7928.005, 7928.010, 7930.105-7930.215; to ensure maximum access, they are read narrowly. The agency always bears the burden of justifying nondisclosure, and "...any reasonably segregable portion...shall be available for inspection after deletion of the portions which are exempt." (Government Code Section 7922.525).

9.2 POLICY

- (1) Contracts & Purchasing will, among other duties:
 - a) Assist in giving access to information concerning the conduct of the people's business, which access is a fundamental and necessary right of every person in this state; and
 - b) Assist with making records of the County of Monterey, which are not exempt from disclosure, available for inspection and copying in accordance with the California Public Records Act upon a request that reasonably describes an identifiable record or records; and
 - c) Identify records subject to inspection and copying, including any writings, meaning any handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any form of communication or representation, including information available in an electronic format (Government Code Section 7920.540 and 7922.570-7922.580).

Link: [County of Monterey Board Policy Manual](#)

10. PROTEST POLICY

See *EXHIBIT J*.

11. SOLE SOURCE JUSTIFICATION REQUESTS

It is best business practice of the County of Monterey to solicit competitive bids and proposals for its procurement requirements when it is feasible and in the best interest of the County. Sole Source procurement is determined if a sole source or sole brand justification is right for your project. A Sole Source shall not be used unless there is clear and convincing evidence that only one source exists to fulfill the County's requirements, you have an emergency, and the goods or services you want to purchase from a single source are required to continue department function(s) or to preserve life or property.

11.1 SOLE SOURCE JUSTIFICATION

- (1) If your project requires the formal purchasing process, contact the County Administrative Office Contracts & Purchasing Division early in the contracting process to discuss whether using a Sole Source or Sole Brand Justification is applicable for your project. If so, then your Department must submit the Sole Source/Sole Brand Justification form to the CAO-Contracts & Purchasing Division.
- (2) Formal justification for sole source procurements is required when competitive bid guidelines require pricing from competing firms. A sole source justification will be prepared by the user departments/agencies/offices and approved by the departments/agencies/offices head or designee. The County Purchasing Agent or Deputy Purchasing Agent shall retain a copy of this justification as part of the contract file. As part of the sole source justification, the requestor shall clearly explain:
 - a) A detailed description of the type of contract to be established.
 - b) A detailed description of services/commodities to be provided by the vendor.
 - c) Why the recommended vendor is the only one capable of providing the required services/commodities and include back-up information to support the justification.
 - d) Identify other sources that have been contacted and explain in detail why they cannot fulfill the County's requirements.
 - e) How the recommended vendor's prices or fees compare to the general market and attach quotes for comparable services and supplies, if available.
 - f) How the County would accomplish this particular task if the recommended vendor could not provide the product or service.
- (3) Valid sole source justifications require strong technological or strong programmatic justifications. Sole source justifications are not required for purchases where no competitive solicitation is required.
- (4) If a contractor develops a particular expertise through demonstrated past performance which has been investigated and determined to be satisfactory in this area of expertise, then such contractor may be awarded a subsequent contract for related work, provided that the sole source justification requirements outlined in this section are satisfied. Such contractor may be designated as an exclusive contractor if the County would be adversely affected by bringing in another vendor who would be

required to meet the expert contractor's level of expertise and existing knowledge and involvement in a specific project.

- (5) For the informal purchasing process, if your project will be \$100,000 or more and you wish to use a Sole Source or Sole Brand Justification, you must submit the Sole Source/Sole Brand Justification form to the CAO- Contracts & Purchasing Division.

11.2 Instructions for Completing the Sole Source/Sole Brand Justification Form

You can obtain instructions on how to fill-out and submit the Sole Source/Sole Brand Justification form from the CAO - Contracts and Purchasing website at the following web link:

[SOLE SOURCE/SOLE BRAND JUSTIFICATION](#)

- (1) Description of Item. This is the name of the preferred Contractor or the specific model and brand you wish to use for your purchasing project.
- (2) Sole Source. Check this option if the goods or services you wish to purchase can only reasonably be obtained from one source. For example:
 - a) A speaker or trainer has unique expertise that is required for your project and that cannot be duplicated by others.
 - b) A particular manufacturer is the only one to distribute a one-of-a-kind item.
 - c) An emergency prevents a department from functioning or poses an immediate danger to life or property.
- (3) Sole Brand. In some cases, there are multiple sources for the item, but a particular model or brand is the only one to meet requirements. In this case, we can still ask for competitive bids from other contractors, but only for one specific item. No other models or brands will be considered.
- (4) Contractor or Brand. Fill out the information requested on the form for the specific person, company, or brand you are requesting.
- (5) Description and Rationale. Answer the questions to describe the specific goods or services you wish to obtain and why you are requesting a sole source or brand. The following factors are not considered useful in determining whether to use a sole source or brand. Do not include them on the form.
 - a) Personal preferences for a particular product or Contractor.
 - b) Cost, Contractor performance, or local service (these may be considered when there are competitive bids, but they are not relevant when justifying a sole source or brand).
 - c) "Extras" that are beyond the minimum requirements for this purchase.
 - d) Why you need the goods or services unless this information helps to explain unique factors that can only be met by this Contractor or brand.
 - e) A request for no substitutions; the sole source/sole brand request is sufficient.
- (6) Signatures. Be sure to sign the form and to obtain your Department Head's signature.

Once you have completed the form, submit it for review and approval by Contracts & Purchasing (C&P).

12. COUNTYWIDE SERVICE AGREEMENTS (CSA) PROGRAM

12.1 PURPOSE

- (1) Countywide Service Agreements (CSA) Program authorizes departments/agencies/offices and local government entities to obtain products and services from contracts awarded by the County Administrative Office - Contracts & Purchasing Division.
- (2) Contracts and Purchasing staff serve as deputized contract managers to assist with planning, implementing, and administering Countywide contract efforts. Staff collaborate with the Contracts & Purchasing Officer (CPO) to research, develop, and coordinate Countywide strategic initiatives for contract management.
- (3) The CSA Program provides over 80 individual Board of Supervisor (BOS) approved Agreements with a wide range of services for all County departments and/or agencies to utilize. Except for Architectural-Engineering projects, goods and services may be acquired through these Agreements. The Agreements within the CSA program may include public procurement cooperative contracts.

12.2 RESPONSIBILITY

- (1) The Contracts and Purchasing Officer or their designee is responsible for identifying and executing all Countywide Service Agreements for use by County agencies and departments. The County Contracts and Purchasing Officer or their designee may authorize and make use of the agreements, including the pricing, and terms and conditions of the contract of another public agency provided that:
 - a.) The initial procurement the County is relying upon is consistent with County purchasing rules and requirements; and
 - b.) The vendor/supplier holding the Agreement extends the same pricing, terms, and conditions to the County.
 - c.) Negotiate contract provisions, interprets language, and analyzes program elements to develop relevant contract forms.
 - d.) Develop, manage and administer the Countywide Service Agreement Program to ensure efficiencies, compliance, and continuity for complex solicitation of bids and proposals; leads, develops, and prepares specifications for bid packages; analyzes bid/proposal responses; negotiates and writes agreements and contract terms. This includes all formal solicitations, writing and managing all amendments, change orders,

vendor/supplier updates and Enterprise Resource Plan (ERP) finance modifications within the set deadlines.

- e.) Coordinate with the public, current/prospective vendor/supplier, County staff, and/or external agencies; facilitates, attends meetings; represents in Countywide collaboration and work group meetings; and prepares and makes presentations to the public, elected officials, Board of Supervisor and other stakeholders.
- f.) The County may also allow local schools, cities, and other public entities to take advantage of Agreements the County has competitively bid, although the County shall not be a signatory on these contracts and shall have no legal liability to either the contracting entities or to third parties as a result of the Agreements, including but not limited to:
 - a. Issuing their own Agreement purchase documents,
 - b. Providing for their own acceptance of the terms & pricing of the Agreement,
 - c. Obtaining required certificates of insurance and bonds, and
 - d. Making any payments due to the vendor/supplier.

- (2) Limitation of Liability – County of Monterey: The Agreement entities shall hold harmless the County of Monterey from all claims, demand actions, or causes of actions of every kind resulting directly or indirectly, arising out of, or in any way connected with the use of Countywide Service Agreements.
- (3) Review the County-wide contract and procurement documents in Advantage to ensure compliance with Board of Supervisor-approved CAO- Contracts and Purchasing Standard Operating Procedures, and the County of Monterey Ordinance (232.030). By County Ordinance (2.32.030), The County of Monterey Purchasing Agent is the County Administrative Officer. By appointment, the Contracts & Purchasing Officer (CPO) is formally deputized to operate as the Purchasing Agent. A *Deputized Purchasing Agent* has all of the authority/rights as the Purchasing Agent as outlined in the County Ordinance, which includes, but not limited to signing standard Agreement documents up to \$200,000 without Board of Supervisor’s (BOS) approval and approving Emergency Purchase Orders without BOS pre-approval. In addition, the CPO’s direct designee employees who are vetted by the CPO, are formally deputized to sign contracts in accordance with the established rules and guidelines. Currently, I am a deputized purchasing agent in the County, in the CAO Contracts & Purchasing Division in this capacity and authorize to review and approve as such.

12.3 NO USAGE GUARANTEE

While agencies may use these Agreements, the County of Monterey makes no guarantee of usage or dollar amount.

12.4 TERM OF COUNTYWIDE SERVICE AGREEMENT

- (1) The duration of a County Agreement will depend upon the County's need, prevailing market conditions, contract start-up costs, and the County's best economic interest.
- (2) In no case will a Countywide Service Agreement exceed five (5) years in duration, unless specifically approved by the County Board of Supervisors.
- (3) County Agreements issued by the County Contracts and Purchasing Officer or their designee that are subordinate to state and/or federal government contracts/programs may be executed in accordance with the term of the overriding Agreement and where appropriate, may extend beyond five (5) years, with approval and authorization to extend by the County Board of Supervisors.

12.5 COLLABORATIVE PURCHASING

- (1) In accordance with Section 1.2 of this manual, the County Contracts and Purchasing Officer or designee has the authority to identify and make use of other governmental agency Agreements that would be beneficial for County use.
 - a.) The County Contracts and Purchasing Officer or designee may pursue both competitive and negotiated Countywide Service Agreements executed by the state and/or federal governments; and
 - b.) May pursue Agreements with other governmental entities in order to obtain cost savings for the County; and
 - c.) Shall make available Countywide Service Agreements to other government entities and pursue opportunities for collaboration in purchasing.
- (2) In the event an Agreement identified for use by the County Contracts and Purchasing Officer, or designee was awarded by a method other than a competitive bid, the County Purchasing Officer or designee is required to seek review from the Office of the County Counsel and County Risk Manager where appropriate, prior to authorizing the use of the contract.

13. JOB ORDER CONTRACTING (JOC)

See *EXHIBIT K*.

Link: [Job Order Contracting Policy Guidelines](#)

14. VENDOR REGISTRATION

To do business with the County, individuals and organizations must register and have an active vendor/supplier account.

14.1 Registration Process

Vendors/Suppliers should complete the Online Registration and provide the required documentation as outlined herein.

Once the online registration is completed, Contractor will receive an email with their assigned Vendor number. Please request the vendor/supplier to provide their vendor/supplier number when they submit the two vendor documents for review. Should the department receive these documents, please forward them to Contracts & Purchasing for approval and activation. These documents can be sent directly to Contracts & Purchasing following the instructions listed on the Vendor Data Record. If further assistance is needed, the vendor/supplier can call 831.755.4990 directly or send an email to MCVSS@countyofmonterey.gov.

Visit the County's online Vendor Self Service (VSS) to register:

Link: [Vendor Self Service \(VSS\)](#)

14.1.1 Required Documents

All required documents must be received in order to activate the vendors/suppliers account or to process payments for goods or services provided. These forms will be kept on file with the Contracts and Purchasing Office should other departments wish to use the same vendor/supplier. Departments may keep a copy with the Agreement. These forms should be updated every 2-3 years or when there is a change in the Legal Name and/or Taxpayer ID Number (TIN).

(1) Vendor must complete the Vendor Data Record: See *EXHIBIT L*.

Link: [VENDOR DATA RECORD](#)

(2) Depending on the selection on Section 5 of the Vendor Data Record one of the following must be completed:

a. California Withholding Form 590: See *EXHIBIT M*.

Link: [California Form 590](#)

b. California Withholding Form 587: See *EXHIBIT N*.

Link: [California Form 587](#)

c. or a waiver letter from the State of CA or they will be subject to the 7% withholding law (more info at bottom of page) and submit to County (see where/how to submit below)

d. Foreign Vendors:

- Must complete the VDR and submit W-8 BEN (Businesses) or BEN-E (Individuals) in lieu of CA Forms.
- Foreign Vendors should provide their US TIN if applicable.
- Foreign Vendors should NOT complete the online registration. These will be managed in-house by Contracts and Purchasing to set up.

Vendors are required to submit all forms as listed in the registration steps above AND required to self-register in the County's online Vendor Self Service (VSS). All forms should be submitted to the County via Facsimile, email, or postal mail.

Email (preferred): mcvss@countyofmonterey.gov

Mailing Address:

County of Monterey, CAO - Contracts & Purchasing
1488 Schilling Place
Salinas, California 93901

Fax: (831) 755-4969

14.2 Certified Green Business

County of Monterey encourages Vendors to become Green Certified through your own local authorities or within the Tri-County areas (Monterey, Santa Cruz, and San Benito Counties) through the [Monterey Bay Area Green Business Program](#). Green Certification may be used as one of the selection factors when awarding contracts from solicitations issued by the County. Details are contained within each individual solicitation so please visit our [Solicitations web page](#).

14.3 Commodity Codes

Commodity Code(s) are not required, however, can be entered when completing the online registration or provided at a later time. These codes must be taken from [NIGP Commodity Code Guide for Monterey County \(.xls format\)](#). **We do NOT recommend printing this document as there are over 700 Commodity Codes listed. Please write down the relevant commodity code(s) for your goods or services and enter it in the appropriate field.**

14.4 Vendor/Supplier Portal

Vendor Self Service allows vendors to view Purchase Orders, 1099 forms, Invoices, and Checks. Vendors can also maintain their contact and remittance information as well as discount and payment terms, contact persons, and a listing of commodity codes that represent the goods and services they offer.

14.5 Vendor Assistance

Contracts & Purchasing offers assistance to all potential vendors/suppliers to navigate the Vendor Self Service (VSS) management tool. If needed, in person assistance is available at the Contracts & Purchasing meeting room or virtually through Zoom.

14.6 Insurance

If you are providing services, you will be required to provide insurance documents per the written agreement. You may reference our [Insurance Requirements](#) for additional clarification and samples of required endorsements. **Note:** The Contracts/Purchasing Division is not accepting insurance documents until a working agreement is underway between the County and a vendor.

14.7 Certification of Insurance and Endorsements

Contractors shall be required to comply with insurance requirements prior to engaging in work for the County. It is the operating department's responsibility to ensure that Contractors are provided information on the requirements as stated within the specified bid solicitations and/or associated agreements. Exceptions to insurance requirements require approval by the Office of the County Counsel/Risk Management, County Risk Manager, or the Board of Supervisors if the exceptions are not approved by the County Risk Manager.

14.7.1 Evidence of Coverage

Prior to commencement of this AGREEMENT, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts & Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until the requesting County Department has obtained all required insurance and has met all requirements. Approval of your insurance coverage by the County does not waive or relieve you of your contractual obligation to maintain the required insurance as specified in the agreement.

14.7.2 Qualifying Insurers

All coverage, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Contracts & Purchasing Officer.

14.7.3 Insurance Coverage Requirements

Without limiting CONTRACTOR'S duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products

and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate.

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, and used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and all the sections(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County Risk Management approval.)

14.7.4 Other Insurance Requirements

14.7.4.1 All insurance required by this AGREEMENT shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

14.7.4.2 Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

14.7.4.3 Additional Insured Status

The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial auto and general liability policies with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Waiver of Subrogation

CONTRACTOR hereby grants to County a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the County by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

14.7.4.4 Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator within the requesting County Department and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always, during the term of this Agreement, maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

14.7.5 Indemnification Language

CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any claim, liability, loss, injury, or damage arising out of, or in connection with, performance of this AGREEMENT by CONTRACTOR and/or its agents, employees, or sub-contractors,

excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this AGREEMENT to provide the broadest possible coverage for the County. The CONTRACTOR shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any litigation in which the CONTRACTOR is obligated to indemnify, defend, and hold harmless the County under this AGREEMENT.

15. SURPLUS COUNTY PROPERTY

15.1 Definition

Surplus County Property is defined as all tangible supplies, materials, or equipment to which the County acquired title by means of purchase, donation, grant, or any other lawful means of acquisition that is determined to no longer be useable or required. Pursuant to Government Code section 25504, the Purchasing Agent shall place proceeds of the sale with the County Treasurer.

15.2 Policy

Section 2.32.100 of Chapter 2.32 or Title 2 of the Monterey County Code provides as follows:

2.32.200 – Surplus pool. Whenever any item of personal property is no longer needed by the office, department, or institution in possession thereof, such fact shall be reported to the Purchasing Agent who may transfer such item to a surplus pool to be maintained under the supervision of the Purchasing Agent. Whenever any office, department or institution is in need of an article which has been placed in such surplus pool or has requisitioned the purchase of a similar article, the Purchasing Agent, upon a properly drawn request for transfer or requisition approved by the administrative officer, may transfer the article to such department.

(Ord. 1030 Section 10, 1958)

15.3 Disposal of Surplus County Property

- (1) The method used by departments to dispose of surplus county property must be approved by and coordinated with the County Purchasing Agent or designee. Internal reuse of Surplus County Property by County departments is the preferred method of disposal.
- (2) Disposition Methods – Surplus County Property shall be disposed of in one of the following preferred methods:
 - a) Internal transfer to a County department upon a properly drawn request for transfer or requisition approved by the County Administrative Officer.
 - b) Sale by the County Purchasing Agent or designee.
 - c) Donation of Computers and related equipment with a fair market value less than \$5,000 per lot to the Monterey County Department of Education, dependent and independent Special Districts within the County of Monterey, and 501(c)(3) Nonprofit Organizations which provide a public benefit or serve a public purpose within the County of Monterey.

- d) Donation to local agencies within the Tri-County area including the Counties of Monterey, San Benito, and Santa Cruz, subject to Board approval and findings that said donation will provide a public benefit or serve a public purpose.
- e) Auction (material value).
- f) Recycling.
- g) Waste.

15.4 Receipt of Fair Market Value

If property is not transferred within the County and must be disposed of in another manner, every attempt will be made to receive fair market value for the property.

15.5 Board Approval

Approval from the Board of Supervisors is required prior to the donation of any Surplus County Property with an estimated market value that exceeds \$5,000.

16. CONTRACTS AND PURCHASING ACADEMY

16.1 CONTRACTS AND PURCHASING ACADEMY

16.1.1 Purpose

The Contracts and Purchasing Academy is a hybrid 6-week in person and on-line self-paced course that focuses on the mechanics and arts of contract creation and contract life cycle management for the County of Monterey's contract and procurement process. The goal of Contracts and Purchasing is to provide County staff with the skills for on-the-job contract creation, contract entry and contract lifecycle management.

16.1.2 Objectives

As a result of this course, County staff will be able to:

- Increase Compliance.
- Increase Efficiency.
- Increase Value.
- Minimize Risk.
- Increase Satisfaction.

16.1.3 Attendance and Weekly Course Completion

Efficiency is one of the course goals and scenarios along with activities help with in a better understanding of the contract life cycle and attendance is essential. In class and Zoom options are available and enrolled County staff (Learners) are asked to complete course modules and take tests following the modules (post-tests) before each class. The regular date/time set for the Contracts Purchasing Academy is Thursday from 2:00 p.m. to 4:00 p.m.

16.1.4 Communication

Contracts and Purchasing will send out weekly emails announcing when new courses are available for Learners to access course materials for the upcoming week, consisting of modules, post-tests, or course related news.

16.1.5 Accommodations

If a Learner is unable to attend in-person class sessions, Contracts and Purchasing Academy will accommodate Learners by providing Zoom access to Learners who are unable to attend in person but have access to a computer to live stream the live session.

16.1.6 NeoGov Courses

Learners will be registered to learn, interact, and take quizzes/tests through modules each week through the Learner's NeoGov account. The Contracts and Purchasing Academy has a paced learning plan prior to attending the weekly in person and online training. Learners are expected to complete all modules in NeoGov before receiving a Certificate of Completion.

16.1.7 Week 1

The Week 1 course introduces Learners to the Contracts and Purchasing Process, Purchasing Roles, Using DocuSign, and Purchasing Ethics. Check Your Knowledge activities have been included to help Learners remember key concepts, principles, and procedures.

16.1.8 Week 2

In this module, Learners will be learning about Contracting Documents, Scope of Work (SOW), Managing Contracting Documents and Evaluating Proposals using a scoresheet method, Qualifications and Quotes. Learners will be working on Correcting SOWs and Writing SOWs in class. These topics will be covered in the on-line modules and during class.

16.1.9 Week 3

In this module Learners complete three activity-oriented lessons. Each lesson includes a graded post-test. The e-learning lessons are Procurement Tools and Systems, Terms and Conditions, and Contract Lifecycle Management. The online module for Week 3 will include the “Interests and Options” assignment and the homework assignment that the class will use in the Contract Lifecycle Management hypothetical scenario.

16.1.10 Week 1-3 Post-tests

Week 1-3 post-tests will test Learners’ knowledge on what they have learned after each week’s lesson. Learners are required to pass all Check Your Knowledge sub-sections within each week’s modules and each week’s post-test for Weeks 1 to 3 with a score of 80% or higher.

16.1.11 Week 4

This module focuses on the Week 4 Idea Lab activity homework. This week’s idea lab question is: *How can one ensure the successful completion of an Agreement?* Learners will complete a homework assignment associated with this week’s case study, the Case of the Missing Scope. Learners will use their analysis of this case as part of the instructor-led class.

16.1.12 Week 5

This module focuses on the Week 5 Idea Lab activity homework. After reading about performance-based contracting, a contract administration method, Learners will then complete the Idea Lab homework. This week’s idea lab question is: How does one resolve problems with a contractor’s work or deliverables? The instructor will debrief this homework in class. In this module Learners complete a homework assignment associated with this week’s case study, the Case of the Disastrous Deliverables. Learners will use their analysis of this case as part of the instructor-led class.

16.1.13 Week 6

After reading about fair and reasonable pricing, Learners will then review the Idea Lab homework. This week’s idea lab question is: How does one avoid bid protests? The instructor will debrief this homework in the instructor-led class. Learners will also complete a homework assignment associated with this week’s case study, the Case of the Pitiful Price. Learners will use their analysis of this case as part of the instructor-led class.

16.1.14 Completion

After completing the Contracts and Purchasing Academy’s hybrid lessons and curriculum, Learners will receive a Certificate of Completion and access to the course materials if needed.

17. ORDINANCES FOR WORKS OF PUBLIC IMPROVEMENT

17.1 Monterey County Code, Chapter 5.08 BIDDING

5.08.010 - Purpose.

The purpose of this Chapter is to comply with Public Contract Code Sections 20150—20150.14. (Ord. 3490, 1990; Ord. 1862 § 1, 1972)

5.08.020 - Definition.

As used in this Chapter, "public project" means:

- A. A project for the erection, improvement, and repair of public buildings and works;
- B. Work in or about streams, bays, waterfronts, embankments, or other work for protection against overflow, except maintenance, repair, or reconstruction work;
- C. Supplies and materials used in maintenance, repair, or reconstruction work in or about streams, bays, waterfronts, embankments; or other maintenance, repair, or reconstruction work for protection against overflow.

(Ord. 1862 § 2(a), 1972)

5.08.030 - Procedure—Type designated for certain purchases.

- A. Public projects between four thousand dollars (\$4,000.00) and ten thousand dollars (\$10,000.00) shall be let to contract by informal or formal bidding procedures.
- B. Public projects of ten thousand dollars (\$10,000.00) and more shall, in all instances, be let to contract by formal bidding procedure.

(Ord. 1862 § 3, 1972)

5.08.040 - Procedure—Notice to contractors.

Before any provisions of this Chapter relating to informal bidding procedures may be utilized, the County shall notify each contractor in the County of the opportunity to register with the County to be subsequently notified of informal bidding proceedings.

(Ord. 1862 § 4, 1972)

5.08.050 - Procedure—Informal.

- A. The notice inviting informal bids shall be by published notice and may, in addition, be supplemented by mailed notice to contractors registered pursuant to Section [5.08.040](#). The County may cause the notice to be printed as display advertising in such form and style as it deems

appropriate. The notice shall describe in general terms the project to be done and state closing date for submission of such informal bids. Publication of notice pursuant to this Section shall be in a newspaper of general circulation printed and published within the jurisdiction of the County. Notice shall be published in accordance with Section 6061 of the Government Code and shall be completed at least twenty-four (24) hours before the time scheduled for opening of the bids.

B. In addition to notice published in a newspaper of general circulation, or mailed, pursuant to this Section, the County may also publish notice inviting bids in a trade publication.

C. Bids shall be opened, examined, and declared by the Monterey County Purchasing Agent in the presence of the County Counsel and Clerk of the Board of Supervisors at a public meeting called by said Purchasing Agent in accordance with the notice inviting bids. The results of the bidding shall be reported to the Board of Supervisors at the next regular meeting after said bid opening.

(Ord. 2628 (part), 1980; Ord. 1862 § 5, 1972)

5.08.060 - Procedure—Formal.

A. The notices inviting formal bids shall state the time and place for the receiving and opening of sealed bids and distinctly state the project to be done. The first publication or posting of the notice shall be at least ten (10) days before the date of opening the bids. Notice shall be published at least twice, not less than five days apart, in a newspaper of general circulation, printed and published in the jurisdiction of the County.

B. In addition to notice published in a newspaper of general circulation, pursuant to this Section, the County may also publish notice inviting bids in a trade publication.

C. Bids shall be opened, examined, and declared by the Monterey County Purchasing Agent in the presence of the County Counsel and Clerk of the Board of Supervisors at a public meeting called by said Purchasing Agent in accordance with the notice inviting bids.

The results of the bidding shall be reported to the Board of Supervisors at the next regular meeting after said bid opening.

(Ord. 2628 (part), 1980; Ord 1862 § 5, 1972)

5.08.070 - Rejection of bids.

In its discretion, the County may reject any bids presented. If, after the first invitation for bids, all bids are rejected, after reevaluating its cost estimates of the project, the County shall abandon the project or shall readvertise for bids in the manner prescribed by this Chapter. If, after readvertising, the County rejects all bids presented, the County may proceed with the project by use of County personnel or may readvertise. If two or more bids are the same and the lowest, the County may accept the one it chooses. If no bids are received, the County may have the project done without further complying with this Chapter.

(Ord. 1862 § 7, 1972)

Link: [Chapter 5.08 – BIDDING](#)

18. WORKS OF PUBLIC IMPROVEMENT PROCUREMENT PROCESSES

18.1 Contracts and Purchasing Decision Table for Public Works Projects

	Informal Process < \$10,000 Per Project	Formal Process > \$10,000 Per Project
Works of Public Improvement Project MCC 5.08.030-060	<ul style="list-style-type: none"> • Departments work directly with Public Works Facility & Parks (PWFP) • May use Standard Agreement • See Informal Process • \$0- 4K: 1 quote • \$4k – 10K: Informal Solicitation <ul style="list-style-type: none"> ○ 24-hour notice of bid opening ○ Published notice in local newspaper ○ Public bid opening 	<ul style="list-style-type: none"> • Departments work directly with Public Works Facility & Parks (PWFP) • State Law requires: <ul style="list-style-type: none"> ✓ Board approved plans and specifications ✓ Minimum 10-day posting of notice ✓ Public Bid Opening • For maintenance and repairs, Departments work directly with PWFP to use Job Order Contracting process. • If greater than \$25k, requires Payment and Performance Bonds.
Other Need	Consult with PWFP	

For inquiries regarding Works of Public Improvement Procurement Processes County Departments may contact:

John Snively,
Administrative Operations Manager
PWFP Department

1441 Schilling Place, South 2nd Floor
Salinas, California 93901-4527
O/C: (831)759-6617
snivelyjm@countyofmonterey.gov

Florence Kabwasa-Green,
Chief of Facilities
PWFP Department

1441 Schilling Place, South 2nd Floor
Salinas, California 93901-4527
O/C: (831)755-4805
kabwasa-greenfa@countyofmonterey.gov

19. STANDARD OPERATING PROCEDURES

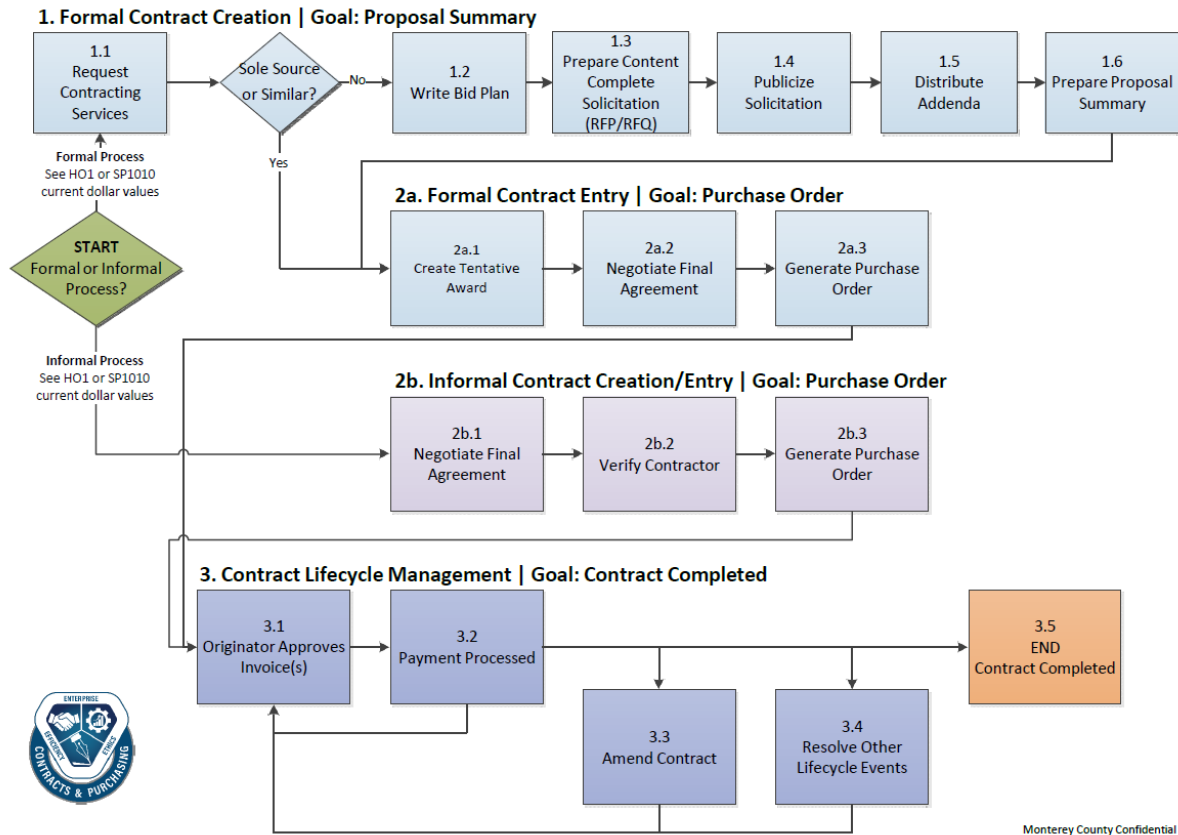
19.1 SP1010 Choosing the Agreement Type and Purchasing Process

Link: [Contracts and Purchasing - SP1010_AgreementType.pdf](#)

Contracts/Purchasing Decision Table

	Informal Process < \$200,000 Across Proposed Term		Formal Process ≥ \$200,000 Across Proposed Term	
	Standard County's T&Cs	Non-Standard Contractor T&Cs or Modified County T&Cs	Standard County's T&Cs	Non-Standard Contractor T&Cs or Modified County T&Cs
Need for Goods, Non-Professional Services, or Personal Property Leases	Use Standard Agreement See Informal Process <ul style="list-style-type: none"> <\$50K: 2 quotes \$50K - \$200K: 3 quotes 	Same as Standard EXCEPT: <ul style="list-style-type: none"> Contractor or Modified Standard Agreement Enhanced review and input by Counsel/Risk Board of Supervisors Approval 	Use Standard Agreement See Formal Process Go to Step 1.1 <ul style="list-style-type: none"> Board of Supervisor approval is required 	Same as Standard EXCEPT: <ul style="list-style-type: none"> Contractor or Modified Standard Agreement Enhanced review and input by Counsel/Risk Board of Supervisors Approval
Need for Professional or Design Professional Services	Same as above EXCEPT: <ul style="list-style-type: none"> Use PSA Agreement for architect or engineers (design professionals) Use Speaker Agreement Exhibit A for Speaker Agreements 	Same as above	Same as above EXCEPT: <ul style="list-style-type: none"> Use PSA Agreement if the services are for architect or engineers (design professionals) 	Same as above
Need for Goods or Services Involving Hazardous Materials	Same as above EXCEPT: <ul style="list-style-type: none"> Use Agreement for Services/Goods Involving Hazardous Materials 	Same as above	Same as above EXCEPT: <ul style="list-style-type: none"> Use Agreement for Services/Goods Involving Hazardous Materials 	Same as above
Other Need	Consult with Contracts & Purchasing			

Contracts/Purchasing Lifecycle Model



19.2 SP1020 Requesting Contracts and Purchasing Services

Link: [Contracts and Purchasing - SP1020 RequestingContractingServices.pdf](#)

19.3 SP1030 – Selecting Alternative Agreement Types

Link: [Contracts and Purchasing - SP1030 AlternativeAgreements.pdf](#)

19.4 SP1050 – High-Level Formal Purchasing Process

Link: [Contracts and Purchasing - SP1050 FormalProcess.pdf](#)

19.5 SP1060 – Stakeholder Meeting and Bid Plan

Link: [Contracts and Purchasing - SP1060 StakeholderMeeting-BidPlan.pdf](#)

19.6 SP1080 - Solicitation Document Content

Link: [Contracts and Purchasing - SP1080 SolicitationContent.pdf](#)

19.7 SP1090 – Writing a Scope of Work (SOP)

Link: [Contracts and Purchasing - SP1090_ScopeOfWork.pdf](#)

19.8 SP1100 – Document Version Control

Link: [Contracts and Purchasing - SP1100_DocVersionControl.pdf](#)

19.9 SP1105 – The DocuSign Process

Link: [Contracts and Purchasing - SP1105_DocuSignProcess.pdf](#)

19.10 SP1110 – Storing Purchasing Documents

Link: [Contracts and Purchasing - SP1110_StoringDocs.pdf](#)

19.11 SP1120 – Reviewing Solicitation Documents

Link: [Contracts and Purchasing - SP1120_SolicitationDocuments.pdf](#)

19.12 SP1140 – Publicizing Solicitation Document

Link: [Contracts and Purchasing - SP1140_PublicizeSD.pdf](#)

19.13 SP1150 – Pre-Proposal Meeting

Link: [Contracts and Purchasing - SP1150_PreProposalMeeting.pdf](#)

19.14 SP1180 – Preparing a Proposal

Link: [Contracts and Purchasing - SP1180_ProposalSummary.pdf](#)

19.15 SP1190 – Developing Evaluation Protocols

Link: [Contracts and Purchasing - SP1190_EvalProtocol.pdf](#)

19.16 SP1200 – Preparing the Final Proposal Summary

Link: [Contracts and Purchasing - SP1200_PrepProposalSummary.pdf](#)

19.17 SP1210 – Creating a Tentative Award

Link: [Contracts and Purchasing - SP1210_TentativeAward.pdf](#)

19.18 SP1215 – Protest Policy

Link: [Contracts and Purchasing - SP1215_ProtestPolicy.pdf](#)

19.19 SP1230 – Negotiation Skills for Purchasing

Link: [Contracts and Purchasing - SP1230_Negotiation.pdf](#)

19.20 SP1300 – Writing a Sole Source Justification

Link: [Contracts and Purchasing - SP1300_SoleSource.pdf](#)

19.21 SP1310 – Preparing a Board Report

Link: [Contracts and Purchasing - SP1310_PrepBoardReport.pdf](#)

19.22 SP1330 – Verifying a Contractor

Link: [Contracts and Purchasing - SP1330_VerifyContractor.pdf](#)

19.23 SP1370 – Amending an Agreement

Link: [Contracts and Purchasing - SP1370_Amendment.pdf](#)

19.24 SP1400 – Managing the Contract Lifecycle

Link: [Contracts and Purchasing - SP1400_Lifecycle.pdf](#)

GLOSSARY

1. **Addendum:** A written change, addition, alteration, correction or revision to a bid, proposal, or contract document.
2. **Agreement:** See Contract.
3. **Amendment:** An agreed addition to, deletion from, correction or modification of a document or contract.
4. **Arbitration:** A process by which a dispute between two contending parties is presented to one or more disinterested parties for a decision; a process whereby a disagreement is resolved.
5. **Assignment and Assumption:** An agreement that is established when one party of a contract wishes to transfer his or her contractual obligations and rights to another party.
6. **Auditor-Controller:** Auditor-Controller is responsible for reviewing fiscal provisions and assessing the financial impacts of a contract on the County, as well as approving and processing Contractor invoices.
7. **Award:** The presentation of a purchase contract or contract to a bidder or proposer.
8. **Best Interest:** The discretionary rationale used by a purchasing official in taking action most advantageous to the jurisdiction when it is impossible to adequately delineate a specific response by law or regulation.
9. **Best Practice:** A business process, activity or operation that is authorized by the County Purchasing Agent or designee.
10. **Bid:** The offer submitted by a bidder in response to an Invitation for Bid (IFB), a request for quotation, or a two-step bidding procedure. A bid includes a cost for commodities or services to be provided per the specifications included in the bid solicitation issued by the County.
11. **Bid Bond:** An insurance instrument in which a third party agrees to be liable to pay a certain amount of money in the event that a specific bidder, if its bid is accepted, fails to accept the contract as bid.
12. **Bid Opening:** The formal process through which sealed bids are opened by the Clerk of the Board of Supervisors and the contents are revealed for the first time to the jurisdiction, other bidders, and, usually, to the public.
13. **Bid Protest:** A written objection of grievance from an actual or prospective bidder who alleges an error or impropriety in solicitation or award of a contract.

14. **Bid Surety:** A guarantee, in the form of a bond or deposit, that the bidder, if awarded a contract, will ~~act~~ perform the contract as bid, otherwise the bidder (in the case of a deposit) or the guarantor (in the case of a bond) will be liable for the amount of the deposit or bond, respectively.
15. **Bidders List:** A list maintained by the County's bidding system setting out the names and addresses of suppliers of various services and commodities from whom bids, proposals, and quotations can be solicited.
16. **Board Report:** A document by which matters are submitted to the Board of Supervisors for consideration during its regular meetings.
17. **Board Order:** A decision rendered by the Board of Supervisors concerning action brought forth to the County of Monterey.
18. **Brand Name:** A name which serves to identify a product of a particular manufacturer; a trade name.
19. **Calendar Day:** Every day shown on the calendar, including Saturdays, Sundays, and holidays.
20. **Calendar Year:** The period of 365 days (or 366 days in leap years) starting from the first of January and ending on December 31, used for reckoning time in ordinary affairs.
21. **Capital Asset:** A tangible property costing \$5,000 or more per unit, including tax, delivery, and installation, with a useful life expectancy exceeding one (1) year. (See *Exhibit Q* Capital Asset Policy, effective December 11, 2007)
22. **Change Order:** See Modification.
23. **Closing Date/Time:** Refers to the date and time for a bid or proposal closing.
24. **Collusion:** A secret contract or cooperation between two or more persons to accomplish a fraudulent, deceitful, or unlawful act.
25. **Commodities:** All supplies and all equipment costing less than \$5,000 per item, including tax and freight, etc., or more than \$5,000 but with a useful life of less than one (1) year.
26. **Commodity Codes:** Codes from the National Institute of Government Purchasing (NIGP) Commodity Code Guide for County of Monterey (.xls format).
27. **Competitive Process:** The process by which two or more vendors vie to secure the business of a purchaser by offering the most favorable terms as to price, quality, delivery, and/or service.
28. **Conflict of Interest:** A situation where the personal interests of a contractor, public official and/or designated employee are/is, or appear to be, at odds with the interests of the jurisdiction.

29. **Consent Agenda Items:** Those agenda items, as identified by the CEO and the Board of Supervisors, which are placed in the section of the Board of Supervisors agenda for approval as a group of items. Items on the Consent Calendar may be pulled by the Board, County staff, or a member of the public for discussion and individual Board action.
30. **Consultant:** A person or firm who provides professional or expert advice and/or recommendations.
31. **Contingency:** A Board of Supervisors authorized percentage or specific amount of money which can be added to the base contract amount to provide for small changes to the contract without returning to the Board for approval. The percentage granted will not be based on the total amount of the contract, as it may accumulate in the second and third years, etc., of the contract, but will be based on the initial contract amount.
32. **Contract:** (1) A deliberate verbal or written agreement between two or more competent persons to perform or not to perform a specific act or acts; also, an agreement. (2) All types of government agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction.
33. **Contract Award:** The final signed agreement on the terms and conditions of a contract between a buyer and seller.
34. **Contract Extension:** An action to extend a contract termination date upon written mutual agreement by both parties.
35. **Cooperative Purchasing:** Cooperative Purchasing is a strategy used by local governmental entities to purchase services and commodities from contracts awarded by other governmental entities or programs to take advantage of volume purchasing and reduce administrative expenses.
36. **Contractor:** Any person or firm having a contract with a governmental body.
37. **Cooperative Agreement:** A cooperative contract for commonly used services and commodities executed by the Office of the County Procurement Officer to take advantage of the County's economies of scale and reduce the duplication of efforts across the County.
38. **County Council:** A committee of County employees appointed by department heads and chaired by the County Procurement Officer to discuss purchasing issues and make recommendations regarding County-wide purchasing policies.
39. **County of Monterey Local Preference Policy:** An initiative approved by the Monterey County Board of Supervisors to encourage local small businesses and disabled veteran businesses to compete in new solicitations released by the County of Monterey.
40. **Countywide Service Agreements (CSA):** A contract prepared for use by county agencies for goods or services [repeatedly purchased].

41. **Debarment:** A shutting out or exclusion, through due process, for cause, e.g., a bidder from a list of qualified prospective bidders.
42. **Deputy Purchasing Agent:** Under the direction and direct supervision of the County Purchasing Agent, or their designee, which is the County Procurement Officer to act in the capacity of the designee of the County Purchasing Agent to procure commodities and/or services for the department.
43. **Designated Employees:** Those employees of the County of Monterey who are required to file conflict of interest statements because those employees, in the course of their employment make or participate in the making of decisions which may potentially have a material effect on the financial interest of the employees.
44. **Disabled Veteran Business Enterprise (DVBE):**
 - (1) To qualify as a DVBE, the DVBE must meet the following requirements:
 - a) Must be certified as a DVBE by the State of California Department of General Services (DGS).
 - b) DGS DVBE requirements must be valid at the time of bid/proposal submittal.
45. **Discount:** An allowance or deduction from a normal or list price extended by a seller to a buyer to make the net price more competitive.
46. **Discussion Agenda Items:** Those agenda items, as identified by the CEO and the Board of Supervisors, which are placed in the section of the Board of Supervisors agenda for discussion and individual Board action. All items requiring the Board to select from a slate or a list of recommendation options, among others, are placed on the Discussion Calendar.
47. **Dispute:** A difference between a contractor and a jurisdiction over performance or other elements of a contract calling for appropriate administrative action with the intent of achieving a remedial result.
48. **Emergency:** Those situations where the welfare of County residents is at stake and/or immediate purchasing action is required to prevent serious economic or other hardship to the County.
49. **Equal or Equivalent:** A phrase used to indicate the acceptability of products of similar or superior function.
50. **Equipment:** Personal property of a durable nature which retains its identity throughout its useful life.
51. **Evaluation Committee:** A committee which advises and assists in proposal evaluation and the tentative award of a vendor.

52. **Evaluation Criteria:** Those criteria set forth in the Request for Proposal (RFP) and used by the evaluation committee to score and rank proposers who respond to the procurement solicitation.
53. **Express Warranty:** Any affirmation of fact or promise made by a seller to a buyer which relates to the commodities and becomes part of the basis of the bargain.
54. **Firm Bid:** A bid that binds the bidder until a stipulated time of expiration of the bid.
55. **Fiscal Year:** A year that the County uses for financial and budgeting. In California, the fiscal year begins July 1 and ends the following June 30.
56. **Fixed Asset:** assets which are purchased for long-term use and are not likely to be converted quickly into cash, such as land, buildings, and equipment.
57. **Fixed Price Contract:** A contract which provides for a firm price under which the contractor bears the full responsibility for profit or loss.
58. **Formal Advertising:** The placement of a notice in a newspaper or other publication according to legal requirements to inform the public that the government is requesting bids on a specific purchase it intends to make.
59. **Formal Bid Process:** The competitive bid process requiring a Public Bid Opening with the date, time and location set forth in the bid solicitation.
60. **Gratuity:** A payment, loan, subscription, advance deposit of monies, services, or anything of more than nominal value presented or promised for consideration of a purchasing decision or recommendation.
61. **Guarantee:** To warrant, stand behind, or ensure performance or quality, e.g., a supplier in relation to his product.
62. **Indemnification:** Protection against incurred loss, damage, or hurt, usually by monetary compensation.
63. **Informal Bid:** An unsealed competitive offer conveyed by letter, telephone, telegram, or other means and under conditions different from those required for formal bidding.
64. **Insurance:** A contractual relationship where an insurance company agrees, for a premium paid, to reimburse the insured or other party for a loss to a specified subject caused by designated hazards or risks.
65. **Invitation for Bid (IFB):** The solicitation document used for competitive sealed bidding for the purchase of equipment, materials, supplies, services, and construction, for which clear specifications can be written.
66. **Liquidated Damages:** Liquidated damages clauses are enforceable if: (1) damages are difficult to ascertain or estimate at the time the contract is formed; and (2) the amount is a

reasonable forecast of compensatory damages in the case of breach. Specifically, if the liquidated damages amount significantly exceeds the amount of damages prospectively probable, the liquidated damages clause may not be enforceable. Thus, liquidated damage clauses may be included in service contracts when the County could suffer financial loss due to delays in performance. Consistent with legal requirements, the amount of damages listed in the contract must be a “reasonable forecast” of the County’s actual damages.

67. **Milestones:** Designated steps of the planned acquisition which usually signify a completion of a requirement or delivery of materials.
68. **Modification:** A change in part or whole to a legally binding agreement between two or more participants.
69. **Monterey County Board of Supervisors:** The County’s elected governing board that oversees County departments and programs and annually approves their budgets; supervises the official conduct of County officers and employees; controls all county property; and appropriates and spends money on programs that meet County residents' needs.
70. **Multi-Year Agreement:** A contract for services for more than one year.
71. **Negotiation:** The discussion or correspondence between the County and the preferred contractor in order to develop a contract with terms and conditions that serve the best interest of the County.
72. **Originating Department:** A unit of the County which utilizes goods and services procured by the Deputy Purchasing Agent.
73. **Performance Bond:** See Bid Surety.
74. **Pre-Bid/Pre-Proposal Conference:** A meeting set up between the County parties issuing a bid/proposal solicitation and the potential bidders/proposers for the purpose of clarifying the bid/proposal solicitation and answering any questions the bidders/proposers may have.
75. **Prequalification:** A process used prior to solicitation of bids to determine if potential bidders have the ability to fulfill the contract requirements for which the solicitation will be issued and/or to determine if the potential bidders’ products will meet the cost and performance criteria required to meet the County’s needs.
76. **Proposal:** The executed document submitted by a proposer in response to a Request for Proposal (RFP). A proposal includes a detailed description of the commodities or services to be provided to the County per the scope of work included in the Request for Proposal (RFP), including, but not limited to cost, time frame for completion of work or delivery of commodities, and method of accomplishment of services.
77. **Proposer Interviews:** Sessions conducted by the proposal evaluation committee for the purpose of interviewing proposers who submitted acceptable proposals within competitive

range for clarification to assure full understanding of and responsiveness to the solicitation requirements.

78. **Public Bid Opening:** The process of opening sealed bids and reading bids at the time and place specified in the solicitation and in presence of anyone who wishes to attend.
79. **Purchase Order:** A document issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services. It is used to control the purchasing of products and services from external suppliers.
80. **Real Property Contracts:** Includes acquiring, leasing, licensing constructing, operation, and maintaining County-owned or County-occupied facilities and assets. Agreements concerning the purchase or use of County owned or private sector parking spaces, or buildings are considered real property contracts.
81. **Rejection of Bid(s):** The non-acceptance of submitted bid(s).
82. **Renewal Amendment & Agreement:** A contract addition that enables one or more parties to renew an expired agreement.
83. **Request for Information (RFI):** A request for information is used to obtain price, delivery, other market information, or capabilities for planning purposes. Responses to request for information notices are not offers and cannot be accepted by the County to form a binding contract unless otherwise specified in the solicitation.
84. **Request for Proposal (RFP):** The solicitation document which includes a scope of work and terms and conditions used to secure proposals for services or commodities not clearly defined by the County in terms of exact specifications or manner of delivery of services or where price is not the sole selection criteria.
85. **Request for Qualifications (RFQ):** A solicitation which describes the project or services required and solicits qualifications from potential vendors or contractors for purposes of evaluating those qualifications for screening or for award of contract.
86. **Responsible Bidder:** A bidder who has the capability in all respects to perform in full the contract requirements and who has the integrity and reliability which will assure good faith performance.
87. **Responsive Bidder:** A bidder whose bid conforms in all material respects to the terms and conditions, the specifications, and other requirements of the solicitation.
88. **Retroactive Contract:** An unauthorized purchase or commitment made to a supplier/vendor without an approved written contract in place prior to delivery of any commodities and/or services. Approval by Board of Supervisors required.
89. **Risk:** is the exposure to anything that threatens an organization's ability to achieve goals that could lead to the potential for financial loss or projects to fail.

90. **Risk Management:** The forecasting and evaluation of financial risks together with the identification of procedures to avoid or minimize their impact.
91. **Services:** The furnishing of labor, time or effort by a contractor involving the delivery of a specific performance.
92. **Sole Source:** An award for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.
93. **Sole Source Justification:** A document submitted by department staff for approval to contract with a particular party without competitive bidding.
94. **Solicitation:** A **good faith** effort to obtain a bid or proposal for the provision of commodities or services.
95. **Specifications:** A description of what the purchaser seeks to buy, and consequently, what a bidder/proposer must be responsive to in order to be considered for award of a contract.
96. **Standard:** A characteristic or set of characteristics for an item that, for reasons of performance level, compatibility, or interchangeability with other products, etc., is generally accepted by producers and by users of the item as a required characteristic of all items for the designed purpose.
97. **Subcontractor:** Any person undertaking part of the work under the terms of the contract, by virtue of a separate contract between the contractor and subcontractor.
98. **Supplier:** An actual or potential contractor; a vendor.
99. **Surplus County Department Property:** Tangible buildings, supplies, materials, or equipment to which the County acquired title by means of purchase, donation, grant, or other lawful means, that a County department has determined is no longer needed by the department.
100. **Surplus County Property:** Surplus County Department Property that the County Procurement Officer or designee has determined is not needed for public use by any other County department.
101. **Terms and Conditions:** A general reference applied to the provisions under which bids/proposals must be submitted and which are applicable to most purchase contracts.
102. **Terms of Payment:** Methods and timelines by which the County must render payment under a purchase contract.
103. **Vendors List:** See Bidders List.
104. **Vendor Self Service (VSS):** System that allows vendors/payees to manage account information and view financial transactions.

105. **Waiver of Bid(s):** A process authorized by law or rule whereby the County Procurement Officer or Deputy Purchasing Agents may procure items without competitive bidding procedures because of unique circumstances related to a particular need or procurement.
106. **Warranty:** A representation of utility, condition, and durability made by a bidder or proposer for a product.

Exhibit A: PROCUREMENT CARD POLICY

**County of Monterey
Procurement Card Policy**

Effective Date: 5/14/2024
Revision Date: 4/14/2024
Audience: Countywide
Supporting Resources: A. County Contracts and Purchasing Manual B. County Travel and Business Reimbursement Policy C. Local Preference Policy

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I. General Information

A. Overview

The County of Monterey (County) Procurement Card (sometimes referred to as "P-Card") is a charge card designed to enable designated permanent full-time County employees to make authorized small dollar purchases of supplies, materials, and travel costs for County business. The Procurement Card Program (sometimes referred to as, "Program") streamlines payments by eliminating the administrative burden and costs associated with traditional methods of payment.

The P-Card is NOT intended to replace existing procurement approaches or acquisition methods. For example, existing contracts should be used in place of a P-Card. Therefore, Departments/Divisions must adhere to all procurement laws, regulations, policies, procedures, and best practices. County Departments may establish additional internal policies, procedures, and limitations for cardholders.

The County has elected to participate in the State of California's CAL-Card Program as the means of implementing its P-Card Program. The State of California has awarded a contract to U.S. Bank (Bank) under the CAL-Card Program. The P-Card can only be used for official County business and must be surrendered upon termination of employment for any reason or upon demand by the County.

B. Purpose

The purpose of this P-Card Policy is to establish policy and guidelines for authorization, distribution, and appropriate use of the Procurement Card for the acquisition of approved goods and pre-approved services by County of Monterey employees. The County of Monterey acknowledges the use of Procurement Cards as an alternative purchasing tool to be utilized in lieu of petty cash, direct vouchers, purchase orders, travel cash advances, emergency purchase orders, or purchase requisitions. This policy is provided to ensure departmental and personal responsibility, and to provide minimum guidelines for the use of P-Cards by County Departments/Divisions and employees. County Departments/ Divisions may have more restrictive guidelines.

C. Scope

This P-Card Policy applies to all individuals involved in Procurement Card transactions through the County of Monterey's Procurement Card Program.

The terms "Procurement Card" and "P-card" are interchangeable and refer to purchasing cards issued by U.S. Bank to the County of Monterey through an agreement with the State of California.

Any elected officials, administrators, and employees involved in Procurement Card transactions must comply with these policies.

D. Definitions

Procurement Card Program Coordinator

The County Procurement Card Program Coordinator is the County Administrative Officer or the designee of the County Administrative Officer which is the County Contracts and Purchasing Officer.

Departments wishing to participate in the Procurement Card Program must contact the County Program Coordinator in Contracts & Purchasing (831-755-4990). The Program Coordinator will provide information about the Program to guide Departments/Employees through the sign-up process.

Department Program Coordinator

The Department Coordinator is designated by the Department Head and oversees the P-card Program at the Department level.

Department Approving Official/s (Approver)

The Department Approving Official/s (Approver) is/are the person/s responsible for ensuring compliance and accountability with the P-Card Program at the Department level. The Approver is a critical checkpoint for internal control purposes. The Approver reviews monthly bank statements to verify that all purchases are necessary and for official County purposes. The Approver should be the Cardholder's supervisor or a higher-level official.

Department Billing Official

The Department Billing Official is the Department's finance staff responsible for accounts payable in Departments who perform accounting entries and transactions for P-Card payments to U.S. bank, processing payments, and reconciling outstanding balances.

Auditor-Controller

The Auditor-Controller's Office processes monthly payments to U.S. Bank, reviews expenditures for compliance and addresses issues of non-compliance.

The Auditor-Controller's Office partners with Contracts & Purchasing in analyzing Procurement Card usage and overall program evaluation.

The Auditor-Controller's Office - Internal Audit Division may perform periodic internal audits and monitoring of P-Card transactions to assess Cardholder and Department compliance with County policies.

Billing Cycle

The Billing Cycle is the time frame used to cut off transactions for billing purposes and monitoring spending limit compliance. Currently, the County's billing cycle ends on the 22nd of each month. The cycle date remains the same each month unless it falls on a holiday or weekend in which case it moves forward to the next business day.

Cardholder

The Cardholder is the County employee whose name is on the Procurement Card. The Cardholder has delegated procurement authority to use the P-Card for business purchases on behalf of their Department. The Cardholder reconciles their monthly bank statement and forwards to the Department Approver.

Cardholder Statement

A monthly Statement of Account is distributed to each Cardholder by U.S. Bank, at the end of the billing cycle which lists transactions.

Dispute

Dispute is a disagreement between the Cardholder and the merchant regarding charges appearing on the Cardholder's Statement of Account.

Fraudulent Charges

Fraudulent charges are charges which are not initiated, authorized, or otherwise requested by the Cardholder and/or the County of Monterey by any means (electronic, telephonic, or written).

Interest Penalty (Late Fee)

The penalty assessed if payment is not received by U.S. Bank Card Services by the due date.

Internal Control

Internal control is a process designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Merchant/Supplier

Procurement Card merchant/supplier shall be established, reputable, reliable vendors with appropriate business licenses, certifications, permits, etc., and not those of a questionable status and sources including, but not limited to: eBay (auctions), pawn shops, cardholder's relatives, friends, etc.

Segregation of Duties

No one person should perform more than one part of a business process.

State of California

The State of California is an entity which holds the CAL-Card VISA contract with U.S. Bank. The County of Monterey has been accepted as a local government to participate in the CAL-Card VISA contract.

U.S. Bank

U.S. Bank is the contractor that was awarded the County's Procurement Card Program contract. U.S. Bank will issue cards, maintain all the accounts, distribute monthly Statements of Accounts to Cardholders, and monthly summary invoices (Corporate Account Statement) to Department Billing Officials for payment processing. U.S. Bank pays vendors in a timely manner and receives reimbursement from the County.

E. Ethical Use of Public Funds

Since the Procurement Card purchases represent public funds, Cardholders and their Department Approving Officials must be continually reminded that their purchases represent the County's interest and reputation for ethical and prudent dealings. Each transaction must be one that the Cardholder and Approving Officials could easily explain or justify as a prudent and legal use of public funds, since all transactions are a matter of public records accessible to scrutiny from all members of the public and the media.

All Program participants must use their best judgement when expending public funds with a County Procurement Card. In those instances where a reasonable person might question an expenditure of public funds and use of a Procurement Card to procure a good or service, the Cardholder should refrain from making the purchase and instead consult for guidance from Contracts & Purchasing, or the Auditor Controller's Office as applicable. Contracts & Purchasing or Auditor Controller's Office will consult with the Office of the County Counsel as needed.

All funding received by the County, regardless of the source, must comply with all applicable County, state and federal laws as well as Board-approved policies.

F. Procurement Card Issuance

The Procurement Card is issued by the County Administrative Officer in their capacity as the County Purchasing Agent or the designee of the County Administrative Officer. The card is issued to the Cardholder for use by that person only. Cards cannot be issued as Departmental, Unit or Divisional cards. The Procurement Card is to be used only by the Cardholder while on official County business. No other staff member, family member, supervisor or person may use this card.

Under no circumstances is a Cardholder permitted to use the Procurement Card for

personal purchases, even if the Cardholder intends to subsequently reimburse the County. Cardholders are required to take and pass the mandatory online training administered by the County Administrative Office - Contracts and Purchasing Division prior to the issuance of the Procurement Card for County use.

II. General Roles and Responsibilities

A. Department Program Coordinator Responsibilities

The Department Program Coordinator is appointed by the Departments Head to administer the P-Card Program within their respective department. Contact information of the Department Coordinator must be submitted to the P-Card Administrator.

The responsibilities of the Department Program Coordinators include :

- Successfully complete mandatory "Procurement Card Prerequisite Training" and any mandatory departmental training on procurement card use prior to receiving a Procurement Card.
- Be proficient with the Procurement Card Policy and Procurement Card Procedure Manual and ensure compliance within the department.
- Maintain knowledge of the Procurement Card Program and department internal procedures on the use of Procurement card.
- Develop department procedures including internal control measures to prevent and detect misuse or fraudulent use of the Procurement Card. These procedures cannot be less restrictive than the County Procurement Card Policies and Procedures Manual.
- Immediately report any misuse by the Procurement Card participants to the County Procurement Card Program Administrator.
- Submit Procurement Card forms for new cards, replacements, account changes and card cancellations.
- Notify the Procurement Card Administrator within three (3) working days when an employee leaves the department's employment so that the card maybe deactivated.
- Be proficient with the U.S. Bank's Access Online system and utilize the reports available for department Procurement Card use and performance.
- Ensure all Procurement Card participants attend the mandatory training provided by either the P-Card Administrator, Auditor-Controller or the department.
- Ensure program compliance related to internal controls, County procurement policies and records retention requirements.

B. Approving Official Responsibilities

The Approving Official is the individual designated to request cards for staff, approve Cardholder purchase transactions under their supervision, and verify that purchases are made for official County business. The Approving Official should be at a managerial supervisor position or higher and cannot act as an Approver for their own purchases. Approving Officials responsible for reviewing and approving Cardholder transactions must have a thorough knowledge of the jobs and responsibilities of the Cardholder under their supervision in order to determine if the purchases are reasonable and necessary in terms of the types of purchases made.

Approving Officials responsibilities include:

- Successfully complete mandatory "Procurement Card Prerequisite Training" and any mandatory departmental training on procurement card use prior to receiving a Procurement Card.
- Be proficient with the Procurement Card Policy and Procurement Card Procedure Manual.
- Maintain knowledge of the Procurement Card Program and department internal procedures on the use of Procurement card.
- Request P-Cards for employees under his or her supervision by reviewing and approving the appropriate account set-up and update forms as required.
- Notify the Department Program Coordinator when the Cardholder resigns, retires, transfers, or is terminated from employment.
- Ensure P-Cards issued under their authority are properly utilized.
- Immediately report any misuse by the Procurement Card participants to the County Procurement Card Program Administrator.
- Ensure the reconciled statements, associated receipts, credit slips, and all appropriate documentation are received for each Cardholder account.
- Review and certify the reconciled Cardholder Statements of Account for compliance with the Procurement Card Policy and procedures and ensure that receipts and documents are in order.
- Ensure that each Cardholder Statement of Account is accounted for and forward them to the Billing Officials by the departmental due date.

C. Cardholder Responsibilities

All Cardholders are de facto purchasing agents for the County of Monterey. Accordingly, the Cardholders must have a minimum understanding of the public purchasing rules and regulations. Cardholders are appointed by their Approving Officials to make small dollar purchases of goods and service for their department. The Cardholder is responsible for ensuring all purchases comply with all applicable County policies and procedures, including, but not limited to, the County Procurement Card Policy, the County Travel and Business Expense Reimbursement Policy. Cardholder shall not approve his or her own purchases.

Cardholder responsibilities include:

- Successfully complete mandatory "Procurement Card Prerequisite Training" and any mandatory departmental training on procurement card use prior to receiving a Procurement Card.
- Be proficient with the Procurement Card Policy and Procurement Card Procedure Manual.
- Maintain knowledge of the Procurement Card Program and department internal procedures on the use of Procurement card.
- Successfully complete mandatory annual Procurement Card training.
- Sign the Cardholder Acceptance of Procurement Card Policy Form.
- Activate card following procedures provided during the training.
- Maintain security of the account number and credit card, expiration date and security code at all times.
- Know their respective Single Transaction and Monthly Transaction (Cycle Credit) limits.
- Ensure all purchases are allowable purchases according to the County Procurement Card Program, County Travel and Business Expense Reimbursement Policy, other applicable County policies and department internal procedures.
- Obtain best value for the County when making purchases with the Procurement Card.
- Obtain an itemized receipt at the point of purchase and verify for accuracy for all purchases.
- Maintain all documentation required by the County Procurement Card Program and internal procedures.
- Call the Bank Customer Service to report lost or stolen cards immediately and notify the Approving Official.
- Report fraud activity to the Bank immediately and then notify the Approving Official.
- Reconcile all the transactions and organize all necessary documents prior to submitting them to the Approving Official.
- Submit the reconciled statement, purchasing documentation and all associated receipts to the Approving Official within 10 days from the statement date to ensure timely classification to the different General Ledger (GL) accounts.
- If there are any disputed charges on the statement that could not be resolved within the merchant, contact the Bank within 60 calendar days of the transaction date.
- Inform Approving Official of any account profile changes such as changes to last name, business address or phone number, etc.
- Adhere to the Procurement Card Policy and all other County of Monterey policies and procedures.

D. Billing Official Responsibilities

Billing Officials are accounting staff in the department who performs accounting entries and transactions. The Billing Official is responsible for receiving and auditing the transactions documents submitted by the Cardholders and approved by the Approving Officials, reconciling and reclassifying expenditures to proper General Ledger accounts, and submitting the monthly claim payment request to the Auditor-Controller by processing it in the County's Financial System.

Billing Official responsibilities include:

- Successfully complete mandatory "Procurement Card Prerequisite Training" and any mandatory departmental training on procurement card use prior to receiving a Procurement Card.
- Be proficient with the Procurement Card Policy and Procurement Card Procedure Manual.
- Maintain knowledge of the Procurement Card Program and department internal procedures on the use of Procurement card.
- Successfully complete mandatory annual Procurement Card training.
- Receive, review and verify purchasing documents submitted by the cardholder for program compliance for the department as assigned. Such review shall include, but not limited to, ensuring all required itemized receipts are attached for all transactions, that usage of the Procurement Card is in compliance with the County Procurement Card Policy and any applicable County policies relating to the transactions such as the County Travel and Business Expense Reimbursement Policy, County Purchasing Manual, etc., and the Procurement Card monthly reconciliation reports are properly completed.
- Reconcile Managing Account Statement total with payment request amounts to be posted to appropriate General Ledger accounts and department's internal cost codes.
- Determine whether proper sales tax has been paid and accrue any use tax.
- Process the claim payment request in the County's Financial System and follow through the approvals to ensure the payment request is submitted timely to the Auditor-Controller's Accounts Payable.
- Provide assistance for document request from the Contracts/Purchasing and the Auditor-Controller.
- Maintain records in accordance with the records retention requirements.

III. Countywide Program Administration

The Procurement Card Program is administered and coordinated by the Contracts and Purchasing Division of the County Administrative Office.

Purpose. The County has developed this Procurement Card Policy to establish minimum standards for the use of the Procurement Card in order to ensure compliance with all applicable laws and policies related to procurement.

A. Procurement Card Program Coordinator

The County Administrative Officer in their capacity as the County's Purchasing Agent or their designee is the Program Coordinator. The County Administrative Office - Contracts & Purchasing Division in its capacity as the designee of the County's Purchasing Agent administers, coordinates and oversees the Procurement Card Program and is responsible for the overall coordination of the Procurement Card Program, including training, program evaluation, and reporting. In addition, the Program Coordinator works with Departments to obtain and issue new Procurement Cards, provide training, report fraud, and close P-Card accounts.

B. Auditor-Controller

The Auditor-Controller's Office is responsible for processing payments for all P-Card transactions and ensuring that Departments have provided complete and accurate documentation to support all transactions.

The Auditor-Controller's Office will conduct periodic audits for Program compliance.

C. Training

Potential Cardholders must complete the County Procurement Card Program Training prior to being issued a P-Card. Existing Cardholders must complete the County Procurement Card Program Training prior to being issued their renewal card.

Contact Contracts & Purchasing for registration instructions at (831) 755-4990 or via Email: 119-purchasingeveryone@co.monterey.ca.us

Contracts & Purchasing will provide additional training to Departments as needed.

The Auditor-Controller's Office will provide Procurement Card Claim Processing/Financial training to Department Billing Officials as needed.

IV. Use of Procurement Card

This section establishes the appropriate and inappropriate use of the Procurement Card. Cardholders are subject to and must adhere to all County Procurement policies and procedures as outlined within State and Federal Purchasing Codes, the Monterey County Code, Board approved policies, and the Board approved Contracts and Purchasing Manual. All purchases made with a Procurement Card must be for "Official County

Business Only". Internal Department policies governing use of the P-Card can be more, but not less restrictive than this Procurement Card Policy.

Use of the Procurement Card for anything other than "official" County business is prohibited and may result in immediate cancellation of Procurement Card privileges. Use of the Procurement Card for personal purchases is prohibited.

A. Purchasing Commodities

In all cases, the Cardholder will require the supplier to itemize the receipt/invoice for each item purchased. Itemization shall include a description of commodities purchased, quantity purchased, price per item, and the total amount, including sales tax and shipping charges, if applicable.

B. US Bank Restricted Merchant Category Codes

Every County issued Purchasing Card is blocked to prohibit the Cardholder from making purchases from certain types of vendors. Required restrictions and exclusions are outlined below.

The State Purchasing Card Program and U.S. Bank has identified high-risk and cash-related Merchant Category Codes which are excluded from the CAL-Card program and restricted by U.S. Bank for all CAL-Cards.

These restrictions are the following:

- (1) Wire Transfer – Money Orders
- (2) Financial Institutions Manual & Automatic Cash Advances
- (3) Convenience Checks
- (4) Non-Financial Institutions – Foreign Currency, Money Orders, Travelers Checks
- (5) Security Brokers/Dealers
- (6) Saving Bonds
- (7) Timeshares
- (8) Betting, Casino Gaming Chips, Off Track Betting
- (9) Fines
- (10) Bail and Bond Payments
- (11) Money Transfer – Member Financial Institutions
- (12) Value Purchase – Member Financial Institutions
- (13) Money Spend Intercountry
- (14) MasterCard Money Spend Intercountry
- (15) Money Send Funding TXN
- (16) POI Funding TXN
- (17) Government – Owned Lotteries
- (18) Government – Licensed Casinos (Online Gambling)
- (19) Government – Licensed Horse/Dog Racing
- (20) State Lot
- (21) Furriers and Fur Shops

- (22) Antique Shops
- (23) Pawn Shops
- (24) Antique Reproductions
- (25) Jewelry Stores
- (26) Remote Stored Value Load – Member Financial Institution
- (27) Remote Stored Value Load – Merchant
- (28) PYMT SVC Prov – Money Transfer for a Purchase
- (29) PYMT SVC Prov – Member Financial Institution – PYMT Tran
- (30) PYMT SVC Prov – Merchant – PYMT Tran

C. County Restricted Purchases

The Cardholder shall *not* purchase items listed as restricted without prior written authorization from Contracts & Purchasing or the Auditor Controller's Office as applicable. Contracts & Purchasing or Auditor Controller's Office will consult with the Office of the County Counsel as needed.

1. Personal purchases of any kind are restricted. Personal purchases are defined as purchases of goods and services intended for non-work-related use or use other than for official County business, such as items for personal use for employees or for staff break rooms, offices, or individual work areas.
2. Appliances and supplies for breakrooms or kitchen unless approved by the County Facilities Division of Public Works, Facilities and Parks Department. Prohibited appliance purchases include the following, but are not limited to:
 - Refrigerators with icemakers or water dispensing capabilities.
 - Coffee makers with cappuccino or espresso making capabilities.
 - Leisure items, such as massage equipment, exercise equipment, lounge furniture.
3. Donations of any kind or a political contribution.
4. Alcoholic beverages.
5. Tobacco, cannabis, and smoking supplies, including vaping products.
6. Firearms.
7. Chemicals, hazardous materials/removal of hazardous materials.
8. Cash Advances and cash.
9. Entertainment and Amusement, including in-room movies, movies, or games.
10. Parking citations and toll violations (some exceptions may apply for unique circumstances)
11. Fuel purchases for personal and County vehicles.
12. Purchases from blocked vendors.
13. Utilities.
14. Professional and personal services.
 - a. All Services and work on County property by outside contractors due to 1099 reporting and insurance requirements

15. Goods available on an existing countywide agreement without preapproval.
16. Fixed Asset purchases.
17. Lease payments for any of equipment, building, land.
18. Rental fees for equipment more than 30 days.
19. Payment of existing invoices of after the fact purchases.
20. Recurring purchases that should be obtained through a purchase order.
21. Gifts of public funds of any kind.
22. Food purchases that are not covered/allowed under the Travel and Business Expense Reimbursement Policy
23. Unallowable expenditures per grant requirements, if federal or state grants are being used as a funding source.

D. Restricted Purchases Requiring Pre-Approval and Additional Support

1. Food, Refreshments and Meal Purchases

Food, refreshments, catered meal and peripheral supply purchases must be purchased in compliance with the Board-approved County Travel and Business Expense Reimbursement Policy and with the following restrictions:

- The meeting must be held for official County business purpose.
- The business purpose of the meeting must be clearly explained in the documentation submitted for pre-approval.
- The meeting must be over an extended period where it must be clear that the working meal is integral to the business function.
- The expenses benefit the County and are reasonable and appropriate to the purpose and nature of the business being conducted.
- The documentation listed must be submitted with the credit card statement:
 1. A meeting agenda.
 2. A list of attendees.
 3. An itemized statement/invoice from the vendor which includes the type of food, quantity, date and price.

2. Gift cards, stored valued cards, calling cards, pre-paid cards or similar products.

Gift cards are only to be used for specific purposes such as grant-funded programs in some County Departments for clients when other procurement methods are not effective to meet program objectives. Departments which have been pre-approved and authorized by Auditor-Controller to purchase gift cards for clients which are purchased with grant funding intended to serve those clients must have internal control documentation on file with the Auditor-Controller's Office.

3. Travel and Training

Eligible charges for authorized travel and training may be paid by Procurement Card. All travel related charges must be in compliance with the County Travel and

Business Expense Reimbursement Policy. Any exceptions to what the Board approved County Travel and Business Expense Policy allows must be pre-approved by the Auditor-Controller's Office and an explanation/justification must be provided at the time of monthly statement submittal.

E. Permitted Purchases

Authorized purchases include the reasonable and necessary procurement of non-restricted or non-prohibited purchases.

Use of the County P-Card must be in compliance with:

- The Board approved County Administrative Office – Contracts & Purchasing Division Procurement policies.
- The Board approved Auditor-Controller's Travel and Business Expense Reimbursement Policy The P-Card can be used to purchase supplies, materials, equipment, limited services and travel related services unless otherwise prohibited or restricted. All purchases must be within the P-Card Cardholder's spending limits.

Examples of Permissible Purchases:

1. Goods/products and consumables for County operations that are not covered by a Countywide Service Agreement.
2. Books, periodicals, magazines, and subscriptions in paper, online and electronic format with publishers, distributors, and vendors/suppliers.
3. Postage.
4. Registration for conferences.
5. Membership fees paid to belong to an organization in which membership by County of Monterey (or a representative of the County) benefits the County.
6. Travel expenses authorized by and in accordance with the Board approved County Travel and Business Expense Reimbursement Policy:
 - Airfare.
 - Hotel.
 - Parking.
 - Bridge tolls.
 - Vehicle rentals.
 - Fuel for rented vehicles.
 - Ground transportation such as train, taxi and uber services.

F. Declared Emergencies and Natural Disasters

The County Purchasing Agent or their designee has the authority to raise the Single and Monthly Transaction Limit to an amount deemed necessary to mitigate any declared emergencies, or natural disasters. In the event of a declared emergency or natural disaster, the County Purchasing Agent or their designee is authorized to grant

authority to forego standard procurement requirements for needs arising from unforeseen causes.

In the event of declared emergencies and natural disasters, County P-Card Cardholders may be required to perform transactions using their P-Cards. During a County Declared Emergency, the County Purchasing Agent (the P-Card Coordinator), or their designee, may approve the use of the P-Card for emergency purchases during the exigent period (first 72 hours) of the Declaration.

For information regarding assistance with disaster recovery costs from the Federal Emergency Management Agency (FEMA), please refer to FEMA Public Assistance information at FEMA's public assistance website.

G. Federal Grant Related Purchases

Use of the P-Card for federally funded expenditures must comply with applicable federal regulations. Departments must follow the procurement rules defined in the Uniform Guidance for all federal grant-funded purchases.

Please refer to Title 2 of the Code of Federal Regulations (2 CFR) Section §200.320 to review Federal guidelines.

Purchases made with federal funds must conform to the procurement standards identified in §§ 200.317 through 200.327.

H. Exceptions

Any purchases that do not follow these Procurement Card Policy guidelines must be pre-approved and granted an exception in writing by Contracts & Purchasing or the Auditor-Controller's Office as applicable. Historical practices shall not justify deviation from this Board of Supervisors approved P-Card Policy.

I. Methods of Payment

Cardholders may use the P-Card to purchase goods in person, by telephone, by Fax, by mail or electronically over the internet. The P-Card may be used at any business establishment that accepts VISA credit card as a form of payment. If a supplier does not accept VISA cards and would like to become a VISA authorized merchant, they should contact the CAO-Contracts & Purchasing Division.

V. Program Compliance

A. Internal Controls

1. Each Department Head is responsible for maintaining a system of internal control for the P-Card Program to ensure the following:
 - a. Account for all P-Card transactions.

- b. Minimize potential for P-card related errors or irregularities.
 - c. Obtain accurate P-card balances for consolidating financial information and monitoring expenditures.
2. Unique controls that do not exist on a standard credit card have been developed for the County's Procurement Card Program. These controls ensure that the P-Card can only be used for specific purchases and do not exceed the specific previously established single purchase limit as authorized by the requesting Department, CAO-Contracts & Purchasing, and the Auditor-Controller's Office.
 3. Before a voucher payment is made to U.S. Bank, the Cardholder must certify all purchases made with the P-Card, with an additional verification performed by the Department Program Coordinator. The Auditor-Controller's Office reviews P-Card Statements, processes timely payments to U.S. Bank, and is authorized to review and audit P-Card statements and charges.
 4. Use of the P-Card is not intended to replace effective procurement planning, nor does it relieve the Cardholder from adherence to all County and Department acquisition and disbursement regulations, policies, and procedures. Please refer to the County Contracts and Purchasing Manual on the CAO-Contracts & Purchasing website.

Internal Controls must include:

- A. Appropriate segregation of duties between making purchase transactions (Cardholders), review and approval of transactions for payment (Department Procurement Card Coordinators/Approving Officials) and payment of the monthly billing statement (Department Billing Official). Segregation of duties ensure that each person's work acts as a complementary check against another's. No one person should be responsible for an entire transaction. It is the Department's responsibility to ensure that appropriate segregation exist within their Procurement Card roles.

Inverted reciprocal approvals will be permitted by the County Procurement Card Coordinator and the Auditor-Controller's Office only when there are no other options such as when a Department is so small that it is necessary. Such approvals must be audited regularly.

- B. Appropriate hierarchical review and approval of purchases by someone with supervisory authority over the Cardholder and/or with authority to review purchases as needed.

- C. Appropriate limits on the number of cardholders assigned to a Department Approving Official in order to ensure adequate review of business need and documentation.
- D. Provision for an audit or review of the Procurement Card Program by the Auditor-Controller's Office which may include but not be limited to examining the following:
 - 1. Adequacy of written policies and procedures;
 - 2. Appropriateness of P-Card holder spending limits;
 - 3. Adequacy of reconciliation, payment procedures, and documentation for transactions.

B. Cardholder Spending Limits

Spending limits enable management to provide P-Card holders with the purchasing power to accomplish the needs of the job without exposing the County to unnecessary risk. Spending limits should be based on job responsibilities of the P-Card holder and the need to use a P-Card to accomplish his or her duties. P-Card holder spending limits must be reviewed at least annually to determine that actual usage is consistent with spending limits.

Individual County Departments must establish the maximum Single Transaction Limits and the maximum Thirty (30) Day Purchase amount based on the following types of P-Card holders.

Single Transaction Limit

Single Transaction Limit is a mandatory spending limit imposed on each Cardholder account.

- Group A – \$ 1 - \$ 2,500
- Group B – \$2,501 - \$10,000
- Group C – \$10,000 - \$20,000
- Group D: Limit is determined as requested by the Department Head based on operational needs with proper justification and approved by the County Program Coordinator.

Thirty (30) Day Transaction Limit

Thirty Day Purchase Limit (Cycle Credit Limit) is a mandatory spending limit that restricts the amount of purchase a Cardholder can make in one billing cycle. The thirty-day billing cycle runs from the 22nd of each month to the 21st of the following month.

- Group A – \$1 - \$10,000
- Group B - \$2,501 - \$20,000
- Group C - \$10,000 - \$40,000

- Group D - Limit is determined as requested by Department Head based on operational needs with proper justification and approved by the County Program Coordinator.

Limit Increases

The County Administrative Officer in their capacity as the County's Purchasing Agent or their designee has the authority to raise the monthly limit to an amount deemed appropriate to improve business practices and/or when an emergency is declared.

A temporary limit increase requires justification, duration of need and an authorization from the P-Card holder's Department Head or their designee and must be submitted to the County Administrative Office - Contracts & Purchasing Division in their capacity as the P-Card Program Coordinator.

C. Conflict of Interest

The Procurement Card must not be used for purchases when the P-Card Cardholder has a personal interest, or knowledge, regarding any vendor which would create a conflict of interest, potential conflict of interest or an appearance of impropriety. An example is buying from a relative or close friend.

D. Splitting Purchases

The splitting of purchases to avoid established single item purchase in excess of the authorized maximum single transaction limit and cumulative dollar limitations is prohibited. Purchases made using the Procurement Card may not be split into smaller amounts to circumvent this Procurement Card Policy and spending limits.

E. Payment of California Sales and Use Tax

Sales Tax is what the State of California collects from residents of California, and Use Tax is what the State collects from non-residents. Cardholders can only purchase taxable goods from a vendor who possesses a valid California Seller's Permit. Possession of a valid permit indicates that the vendor is properly registered with the State of California and is obligated to pay Sales or Use Tax to the State. The County is responsible and liable to pay Use Tax if the out-of-state vendors do not charge sales tax.

The Department Billing Official must ensure to calculate and record the California sales and use tax liability when appropriate if the merchant has not charged the tax on the invoice or receipt.

A completed Sales/Use Tax Log for all out-of-state sales tax not billed by the supplier must be submitted to the Auditor-Controller's Accounts Payable with the Procurement Card claim for payment documentation.

F. Timely Credit Card Statement Submission

To avoid late payment penalties, all participants using procurement cards must meet established payment deadlines. The following are important timelines in a billing cycle.

- 22nd of the month – Billing cycle statement is available to the cardholder.
- 1st of the month – Cardholder sends monthly documentation to Department approver.
- 4th of the month – Approver sends documentation to the Billing Contact.
- 8th of the month – Billing contact ensures all claims from Cardholders have been submitted.
- 10th of the month – Deadline to submit complete monthly claim to the Auditor-Controller Accounts Payable.

G. Budget

P-Card expenditures are not separately allocated in a Department's Budget Appropriations. It is the P-Card Cardholders' responsibility to verify that P-Card expenditures are allowable within the Department's Budget. P- Card expenditures are shown as payments to the U.S. Bank and not itemized by vendor when viewing expenditure details in the reports.

H. Reviews and Internal Audits

- The Procurement Card Program Coordinator and the Auditor-Controller's Office Disbursements Division will conduct periodic reviews of the Program. In addition, the Auditor-Controller's Office Internal Audit Division may also conduct periodic internal audits of the Program. All processed statements and their supporting documentation will be scanned into the County's Financial System. All Department records including prior year payment documents must be maintained in accordance with the County/Department's Records Retention Policy.

VI. Card Account Management

A. Enrollment Requirement

The department personnel can apply for participation in the County Procurement Card Program by submitting the Procurement Card Setup & Issuance Form to the County Procurement Administrator. This form must be approved by the Department Head or their designee.

All County personnel enrolling to be a Procurement Cardholder must understand and acknowledge the cardholder responsibilities by:

- Reading and understanding this Policy Manual in its entirety; and

- Successfully completing the “Procurement Card Prerequisite Training” prior to the issuance of cards and annually thereafter.

B. Updating Account Information

Changes to a Cardholder’s name, address, agency or division, Approver, or spending limits should be immediately reported to the County Program Coordinator.

Changes should be reported to the Program Coordinator by completing a Procurement Card Setup & Issuance form.

C. Requesting a Replacement Card

There may be instances when it becomes necessary to replace P-Cards. The Cardholder must follow these guidelines.

1. Lost or Stolen Cards

The Cardholder must immediately call U.S. Bank at 1-800-344- 5696 to report a lost or stolen Procurement Card. The Cardholder must also inform the Department Approving Official and the County Program Coordinator.

The Cardholder must telephone U.S. Bank at 1-800-344-5696 to report a lost or stolen Procurement Card. The Cardholder must also submit a memo to the Unit Billing Office Contact when the loss is discovered. The Unit Billing Office Contact will forward the memo documenting the lost credit card to the County’s Program Coordinator.

2. Worn or Defective Cards

In the event a P-Card becomes worn or defective and needs replacement, the P-Card holder will request a replacement card through their Approving Official. The Department Approving Official will contact the County Program Coordinator (C&P) to request a new card. The County Program Coordinator will then order a replacement card. The defective P-Card should be destroyed by the P-Card holder once the replacement P-Card is received.

The P-Card Cardholder must telephone U.S. Bank at 1-800-344-5696 to report a lost or stolen Procurement Card. The Cardholder must also submit a memo to the Unit Billing Office Contact when the loss is discovered. The Unit Billing Office Contact will forward the memo documenting the lost credit card to the County’s P-Card Program Coordinator.

D. Security of Procurement Card

1. Credit card fraud can occur without the victim's knowledge, even while the card is stored in a safe place. A stolen account number can often be just as effective for a criminal as a stolen credit card, especially if information such as the expiration date or billing address becomes available to them. While the P-Card holder is entirely responsible for the physical safeguarding of the Procurement Card, the Procurement Card issued by U.S. Bank is constructed using several security protection devices:
 - Procurement card hologram
 - U.S. Bank watermark
 - Tamper-resistant signature panel.
 - Card verification protection in the magnetic stripe
 - Expiration date
2. Unfortunately, embedded in the cards themselves, these design characteristics may not be sufficient to ensure 100% fraud prevention. P-Card holders must handle their Procurement Cards responsibly and monitor their purchases closely to safeguard their P-Card and P-Card number from fraud.
3. P-Card holders must take the following steps to protect and minimize credit card fraud, as follows:
 - Sign the back of the P-Card immediately after it arrives.
 - Carry the P-Card only when holder intends to use it.
 - Do not leave the P-Card unattended at work or in P-Card Cardholder's personal vehicle.
 - When shopping, be sure that the salesperson returns the P-Card every time a purchase is made.
 - Keep the P-Card number concealed when in a check-out line.
 - If a merchant is still using charge slips with separate carbons, secure the carbon copies and submit them to the P-Card Cardholders Department Finance Manager.
 - Never write down the P-Card account number, access code or password on a loose piece of paper.
 - Do not give the P-Card number out over the phone unless the P-Card Cardholder initiates the call.
 - Use the P-Card only at merchants you know and trust. A large number of Procurement Card disputes involves online businesses without adequate internal controls.
 - Do not enter the P-Card number online unless the site is secure.
 - Never sign a blank charge slip.
 - Keep copies of every transaction and review your monthly statement every month. The sooner unauthorized transactions are found, the sooner the transaction can be investigated.

- Store P-Card transaction receipts/invoices in a safe place and compare them with Cardholder's P-Card statement each month.
 - Report billing errors and lost or stolen cards immediately.
4. Unauthorized use of the Procurement Card and/or non-compliance with the P-Card Program requirements will result in the immediate closure of the account and cancellation of the Procurement Card.

E. Cardholder Employment Status Change

1. When a Cardholder transfers to a different County Department or terminates their employment with the County, the Department Coordinator shall notify the P-Card Program Coordinator within three (3) business days by submitting the P-Card modification.
2. Upon termination of County employment or upon transfer to another County Department business unit, the Department Approving Official will collect the Procurement Card from the Cardholder and deliver it to the Department Program Coordinator with a request to cancel the card.
3. The P-Card Cardholder must notify the Department P-Card Program Coordinator and the Department Approving Official when employment status changes. Upon reassignment of a P-Card Cardholder to another Department, the Department Head in the new Department will determine whether the P-Card Cardholder will continue to hold the P-Card. If approved, the Approving Official in the new Department will submit a written request, approved by the Department Head or their designee, to the County Program Coordinator to issue a new P-Card.

F. Procurement Card Violations and Correction Procedures

1. Any misuse of the Procurement Card as outlined in this Procurement Card Policy, or failure to follow the established protocol, including tardy submission of documentation of purchases is considered a violation of this Policy.
2. Procurement Card Violations include, but are not limited to:
 - Missing Statements.
 - Missing receipts and/or supporting documentation.
 - Non-itemized receipts.
 - Personal purchases.
 - Missing signatures.
 - Incorrect Approving Official without delegation of authority.
 - Split transactions.
 - Making prohibited purchases.
 - Tardy submission of documentation of purchases.

3. A Cardholder who incurs violations, will have their Procurement Card temporarily deactivated until retraining takes place. A recurring pattern of violations after retraining will result in the Procurement Card being revoked permanently. Departments are encouraged to develop internal policies and protocols to ensure violations do not occur.

G. Procurement Reporting Fraud and Disputing Charges

1. Fraudulent Charges

U.S. Bank Fraud Prevention contacts a Cardholder when they observe transactions that appear to be fraudulent. The Cardholder must carefully follow the instructions given by the U.S. Bank Fraud Prevention Team and inform his/her Approving Official, County Program Administrator, and the Auditor-Controller.

2. Disputed or Improperly Charged Items

The P-Card Cardholder must compare their monthly statement to their supporting sales documentation (receipts or the customer copy of sales drafts) for each transaction on the statement. All efforts must be made by the P-Card holder to obtain a copy of their receipts.

Any differences must first be resolved by the P-Card holder by completing a P-Card holder Statement of Questioned Item (CSQI) Form. The CSQI form must be submitted to U.S. Bank within 60 days of the Procurement Card Cardholder's statement in which the charge in question originally appeared.

To return a disputed charge or improperly charged item, the Procurement Card Cardholder will also prepare a CSQI form and submit it with all supporting documentation (copies of sales drafts, credit slips, etc.) to U.S. Bank. The P-Card Cardholder must sign this form.

P-Card Cardholders can also dispute charges or improperly charged items through U.S. Banks' Access Online.

The CSQI form lists the most common dispute reasons. It should be used to make sure a valid dispute exists. The following items cannot be disputed:

- Sales tax or shipping/handling charges or
- Items returned for credit between billing cycles (these items must be paid for on the monthly statement, as the credit will appear on a subsequent monthly statement).

3. Reimbursing personal expenses and prohibited purchases

All P-Card purchases are subject to review and audit. The Auditor-Controller, Department Management and/or the Department's Approver may determine a P-Card purchase does not meet the established purchase criteria or

Department requirements. In the event that the card is inadvertently used for personal or prohibited purchases, the Cardholder must reimburse the County as soon as possible, but no longer than 30 days after the violation has been discovered and reimbursement is requested.

4. Returning Items

When it is necessary to return purchases, the P-Card Cardholder will request a return authorization from the vendor. Items should be returned directly to the vendor by whichever means the vendor requires. The P-Card Cardholder must retain supporting documentation on file.

For any returned item(s), the P-Card Cardholder is responsible for confirming that the proper credit is posted in the monthly statement of account.

Contact Information

U.S. Bank

U.S. Bank Cardmember Services

Phone: 1-800-344-5696

Email: Accessonlinesupport@usbank.com

Fraud Available 24/7

Reporting: 1-800-523-9078

Existing/Status: 1-800-815-1405

County of Monterey Procurement Card Program Administrators

Contracts & Purchasing

Phone: (831) 755-4990

Email: 119-purchasingeveryone@co.monterey.ca.us

Procurement Card Payments

Auditor-Controller – Accounts Payable

Email: 1110-AccountsPayable@co.monterey.ca.us

Other Applicable Board Approved County Policies and Procedures

- County Contracts and Purchasing Manual
- County Travel and Business Reimbursement Policy
- Local Preference Policy

Resources

1. County of Monterey Contracts/Purchasing's Website
<https://www.co.monterey.ca.us/government/departments-a-h/administrative-office/contracts-purchasing/procurement-related-policies>

2. County of Monterey Auditor-Controller's Website
<https://www.co.monterey.ca.us/government/departments-a-h/auditor-controller/policies-and-procedures>
3. U.S. Bank Access Online <https://www.access.usbank.com/>

Document Revision History

Date	Editor	Revisions
4/14/24	D. Wilson	<ul style="list-style-type: none"> • Incorporate CC and ACO edits and reformat Policy
5/14/24	D. Wilson	<ul style="list-style-type: none"> • Updated Policy with Effective Date as 5/14/24, the date approved by the BOS

END EXHIBIT A

Exhibit B: Monterey County Local Preference Policy

Monterey County Local Preference Policy: Adopted August 29, 2012

A. General Requirements:

Monterey County desires whenever possible, to contract with qualified **local vendors** to provide goods and services to Monterey County.

Any vendor seeking to be recognized as local businesses for purposes of this local preference provision shall be required by the terms of the bid announcement to certify they meet the definition of local vendor set forth in this policy, and to register as a local vendor with the county in the manner prescribed by the county to facilitate the county's ability to track the award of contracts to local vendors and allow the county to provide future notifications to its local vendors concerning other bidding opportunities.

Vendor Registration Link: Vendor Self Service (VSS)

<http://www.co.monterey.ca.us/admin/vendorinfo.htm>

- B. In the procurement of goods or services in which **price** is the determining factor for award of the contract, a five percent (5%) preference shall be subtracted from a bid submitted by a responsive **local vendor** in determining the lowest responsive bidder. If application of the 5% results in a local vendor's bid being at or lower than the **non-local vendor**, the contract award shall be made to the **local vendor** at the **local vendor's** bid price.
- C. Whenever a responsive **local vendor** and a responsive **non-local vendor** are found, upon the opening of bids, to have both submitted the lowest responsive bid, the **local vendor** shall be awarded the contract. This application shall apply to any contract awarded by the County, including professional services contracts.
- D. Should more than one responsive **local vendor** bid match a responsive **non-local vendor's** lowest bid, or should there be no responsive **local vendor's** bids that match the lowest responsive bid, but two or more responsive **non-local vendors** submit bids for equal amounts, thus making both the lowest bidders, then the award of the contract shall be determined by a chance drawing, or similar tie-breaking method conducted by the Contracts/Purchasing Division and open to the public.
- E. In the procurement of goods or services in which best value is the determining basis for award of the contract, ten percent (10%) of the total points awardable will be added to the **local vendors** score.
- F. When a contract requires subcontractors or sub-consultants, the Contractor shall solicit proposals from qualified **local vendors** whenever possible. No contract awarded to a **local vendor** under this section shall be assigned or subcontracted in any manner that permits more than fifty percent (50%) or more of the dollar value of the contract to be performed by an entity that is not a **local vendor**.
- G. Any vendor falsely claiming to be a **local vendor** as defined within this policy will be subject to disqualification from contracting with the County for a period of three (3) years.

- H. Each solicitation for bids made by the county shall contain terms expressly describing the **local vendor's** preference policies of the county, and shall provide that by electing to submit a bid pursuant to a request for bids, all bidders are deemed to understand and agree to those policies.
- I. Local preference shall not apply to the following categories of contracts:
1. Goods or services provided under a cooperative purchasing agreement or similar "piggyback" contract; and
 2. Contracts for public works, or where precluded by state or federal law or regulation; and
 3. Any bid announcement which specifically provides that the general local preference policies set forth in this policy are suspended due to; the unique nature of the goods or services sought, the existence of either a local emergency as determined by the County Board of Supervisors through the formation or execution of an emergency declaration and/or emergency purchases procured by the County Purchasing Agent and/or authorized delegated representative in accordance with the County's Emergency Purchases Ordinance 2.32.040 or where such suspension is, in the opinion of County Counsel, required by law.
- J. Purchases or contracts made pursuant to a non-competitive award process, including but not limited to, contracts covered by the Little Brooks Act, Government Code, Title I Division 5, Chapter 10, Sections 4525-4529.5 for the procurement of professional services of private architectural, landscape architectural, engineering, environmental, land surveying, or construction project management firms shall be on the basis of a Qualification-based selection (QBS) that:
- a) demonstrates competence and professional qualifications for the types of services required; and
 - b) provides fair and reasonable prices to the public; and
 - c) assures maximum participation of small business firms; and
 - d) prohibits practices which might result in unlawful activity; and
 - e) specifically prohibits agency employees from participating in a selection process when a conflict of interest may occur; and
 - f) demonstrates that the project team will provide the specific expertise required by the solicitation
1. Recognizing the importance of local knowledge and experience in timely, cost effective, project execution, as well as the County's desire to promote the use of small business enterprises as stated by the County's Small Local Business Outreach Program; selection criteria will address each of the above factors in addition to the relevant technical factors unless it is found the consultant's location is immaterial in its affect on the provisions of the services or supplies that are required by the solicitation. Said selection criteria will be routinely included in the solicitation package; staff is encouraged to include scoring criteria so that

all respondents are aware of the importance that is assigned to each selection criterion. Such criteria will include, but is not limited to knowledge of local regulatory environment, local agencies having jurisdiction over the project, and construction industry; experience working on Monterey County projects; and demonstrated ability to rapidly respond to County's needs during project construction and warranty periods.

- a) A Five (5%) percent preference will be applied to the scoring evaluation for a firm that qualifies as a "Local Vendor" as defined hereinafter.
2. Individual Delivery Orders placed on Master Agreements for "on-call" professional services that have already been awarded based on a QBS process may be awarded based on a "best value" negotiation that considers qualifications and price in addition to other relevant factors including, but not limited to location and business size rather than a strict rotation process.
- K. To qualify for local preference under this section, **a local vendor must certify to the County that it:**
1. Qualifies as a "**Local Vendor**" as defined within Section L; and
 2. Has not within the five (5) years prior to the bid announcement admitted guilt or been found guilty by any court or state or federal regulatory enforcement agency of violation of any criminal law, or a law or administrative regulation regarding fraud; and
 3. Is not currently subject to an unresolved citation or notice of violation of any County of Monterey Code provision, except citations or notices which are the subject of a current legal appeal, as of the date of the bid announcement; and
 4. Is not delinquent in the payment of any fines, liens, assessments, fees or taxes to any governmental unit or taxing authority within the Area as defined within Section L, except any such sums which are the subject of a current legal appeal; and
 5. A Declaration of Local Business must be submitted and executed under penalty of perjury with any proposal for which a vendor is requesting a local preference. Such declaration shall be developed by the County Purchasing Agent and/or his/her delegated authority.

L. Definitions: For the purpose of this policy, the following terms have the meanings indicated:

1. "**Area**" shall mean Monterey County, San Benito County, and Santa Cruz County.
2. "**Best Value**" shall mean a selection process in which written proposals contain both price and qualitative components where the award is based upon an evaluation of a combination of price and qualitative considerations, such as

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Local Preference Policy approved by the Board of Supervisors 8-29-2012

between price and performance that provides the greatest overall benefit under the specified selection criteria as determined by the County.

3. **"Bid"** includes any competitive bid, whether formal or informal, that is awarded based on price.
4. **"Building"** as defined within Section L.5 below, shall:
 - 4.1 Have running water, restroom facilities and either: electrical services, gas service, or both; and
 - 4.2 Have a telephone, or telephones, listed publicly in the Vendor's name; and
 - 4.3 Be staffed during business hours by an employee, or employees, employed by Vendor and conducting the local business of the Vendor. An independent contractor or a person employed as "temporary labor" shall not constitute an "employee" for purposes of compliance with this policy; and
 - 4.4 Contain the current local business records of Vendor.
5. **"Local Vendor"** shall be defined as a:
 - 5.1 Vendor either owns, leases, rents or otherwise occupies a fixed office or other commercial building, or portion thereof, having a street address within the Area. Vendor possesses a valid and verifiable business license, if required, issued by a city within the Area or by one of the three counties within the Area when the address is located in an unincorporated area within one of the three counties as defined as "Area"; and
 - 5.2 Vendor employs at least one full time employee within the "Area", or if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within the "Area"; and
 - 5.3 Vendor's business must have been in existence, in Vendor's name, within the "Area" for at least two (2) years immediately prior to the issuance of either a request for competitive bids or request for qualifications for the County; and
 - 5.4 Newly established businesses which are owned by an individual(s) formerly employed by a Local Vendor for at least two (2) years also qualifies for the preference; and
 - 5.5 If applicable vendor must possess a valid resale license from the State Franchise Tax Board showing vendor's local address within the "Area" and evidencing that payment of the local share of the sales tax goes to either a city within the "Area" or to one of the three counties within the defined "Area"
6. **"Production Capability"** shall mean sales, marketing, manufacturing, servicing, or research and development capability that substantially and directly enhances

the vendor's ability to perform the proposed contract. Post Office box numbers and/or residential addresses may not be used as the sole bases for establishing status as a "Local Business".

7. **"Professional Services"** as defined by the Little Brooks Act, Government Code Title I, Division 5, Chapter 10, Section 4525-4529.5 is those professional services of private architectural, engineering, environmental, land surveying, or construction project management firms, where the selection and award for contract shall be based on demonstrated competence and on the professional qualifications required to satisfactorily perform the services required.
8. **"Small Business"** as defined by Government Code section 14837(d)(1) means an independently owned and operated business that is not dominant in its field of operation, the principal office of which is located in California, the officers of which are domiciled in California, and which, together with affiliates, has 100 or fewer employees, and average annual gross receipts of ten million dollars (\$10,000,000) or less over the previous three years, or is a manufacturer, as defined in subdivision (c), with 100 or fewer employees.

M. The following conditions shall apply to the Local Vendor Preference Program.

Any Vendor claiming to be a local vendor as defined above shall so certify in writing that they meet all of the criteria listed above. County shall not be responsible or required to verify the accuracy or any such certifications, and shall have sole discretion to determine if a vendor meets the definition of "local vendor".

N. Reporting and Record Keeping.

No less than annually, County staff will report to the Board of Supervisors the total number and dollar amounts of contracts awarded and the dollar percentage of distribution between non-local and local vendors. When the contracts are presented to the Board of Supervisors for board approval, the board reports will include whether the vendor selected is local or non-local. A log of contracts awarded including the Vendor's name, location and contract value will be posted on the County's Contracts/Purchasing website and regularly updated.

END EXHIBIT B

Exhibit C: SOLE SOURCE/SOLE BRAND JUSTIFICATION

SOLE SOURCE/SOLE BRAND JUSTIFICATION

OVERVIEW:

On rare occasions there may be a need to purchase goods or services from one vendor/contractor without going to formal bid or requesting competitive quotations. This is known as "Sole Source" purchasing. This document does not replace an Agreement.

"Sole Source" purchasing is authorized by Monterey County Code 2.32.040, Emergency Purchases, and by Monterey County Code 2.32.070, Competitive Bidding Not Required.

"Sole Source" purchasing may be necessary under certain circumstances such as an emergency wherein the department head or other County Official who is authorized to sign requisitions may purchase items for the continuance of the department function, or that items purchased are necessary for the preservation of life or property, and that no authorized purchasing department personnel are immediately available to make the purchase.

A sole source may be designated when it is apparent that a needed product or service is uniquely available from the source, or for all practical purposes, it is justifiably in the best interest of the County. The designation of a "Sole Source" supplier must be authorized by the County Purchasing Agent or Deputy-Purchasing Agent before the requirement for competitive quotations is waived.

In an effort to expedite sole source/brand requisition requests through Contracts/Purchasing, we would encourage you to review the criteria for Sole Source/Brand form herein. If you feel your request meets such criteria, follow the instructions in filling out the form, along with a Department Head signature approving the request on behalf of their department. If sole source/brand justification is warranted and accepted by Purchasing, the request shall be signed by the Contracts/Purchasing Officer (CPO).

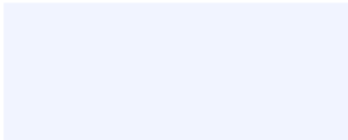
This is an internal review process. Departments are requested to use discretion in their discussion with vendors so as not to compromise any competitive advantage the Buyer may utilize, regardless of the acceptance or rejection of the sole source/brand justification.

Contracts/Purchasing will advise you when a particular competitive review process may both serve the County better and/or be required by governing law.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

Revised:
April 21, 2022

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PROCEDURE:

Sole source/brand purchasing is an exception to the normal procurement function and requires a detailed justification. In processing sole source/brand requests for supplies, services and/or equipment, Contracts/Purchasing adheres to and is governed by the principles set forth in both the Federal and State Laws governing public purchasing and the Public Contract Code, and by the adopted and approved County of Monterey Policies and Procedures.

If you are requesting a particular vendor, brand, or product, you must make this fact clear on your request. Such a request should not be made unless the request is reasonable and appropriately justified to meet legal requirements and can withstand a possible audit. The County requirements and the format for submitting such requests are contained herein.

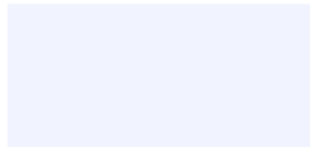
The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

The following factors **DO NOT** apply to sole source/brand requests and should not be included in your sole source/brand justification. They will not be considered and only tend to confuse the evaluation process.

1. Personal preference for product or vendor
2. Cost, vendor performance, and local service (this may be considered an award factor in competitive bidding)
3. Features which exceed the minimum department requirements
4. Explanation for the actual need and basic use for the equipment, unless the information relates to a request for unique factors
5. A request for no substitution submitted without justification. This is a sole source/brand request requiring detailed justification including established sole source/brand criteria

Please make copies of the Criteria for Sole Source/Brand form for your future use.

Revised:
April 21, 2022



County of Monterey
General Services- Contracts/Purchasing Division
JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST

Date

1. Please indicate the following:

Procurement: Goods
 Services

Description of Item:

(Check One)

Sole Source: Item is available from one source only. Item is a one-of-a kind and is not sold through distributors. Manufacturer is the exclusive distributor.

Sole Brand: Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request. Each request is for a single one-time purchase only.

Sole Source/Sole Brand Request is not an Agreement.

2. Vendor Selection:

Preferred Vendor
 Sole Source

Vendor Name:

Address: City: State:

Phone Number: () Fax: ()

Contact Person: Title:

Federal Employer #:

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3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

a) Why were product and/or vendor chosen?

b) What are the unique performance features of the product/brand requested that are not available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

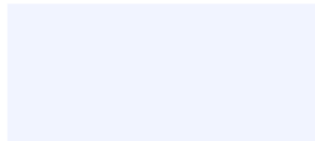
c) Why are these specific features/qualifications required?

d) What other products/services have been examined and/or rejected?

e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

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f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

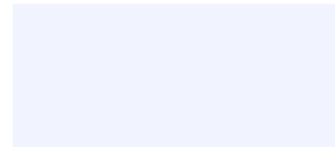
g) Estimated Costs:

4. Is there an unusual or compelling urgency associated with this project?

- No
- Yes (Please describe)

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THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR

I hereby certify that:

1. I am an approved department representative and am aware of the County's requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County's criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor's protest.

Requestors Signature

Date

Authorized Signature by Department Head

Date

Approved by Contracts/Purchasing Officer

Date

Revised:
April 21, 2022

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END EXHIBIT C



**COUNTY OF MONTEREY
CONTRACTS AND PURCHASING DIVISION**

PROCUREMENT AWARD DOCUMENTS

*These documents are encumbering purchasing orders that
lapse at the end of the fiscal year*

- Purchase Order (PO)
- Blanket Purchase Order (BPO)
- Emergency Purchase Order (EPO)
- Delivery Order (DO)
- JOC Delivery Order (JDO)

DEFINITIONS:

- 1. "PO"** The Award Document that encumbers funds for a one-time purchase of goods (i.e. printer, fax machine).
- 2. "BPO"** The Award Document that encumbers funds for procuring repetitive routine supplies/goods and non-agreement services that cover the current fiscal year.
- 3. "EPO"** The Award Document that encumbers funds for goods and services associated with an identified emergency. The department must first contact Contracts/Purchasing and obtain approval.
- 4. "DO"** The Award Document that encumbers funds against an MYA or MA Award Document.
- 5. "JDO"** The Award Document for Job Order Contracting services that encumbers funds against the JMYA Award Document.

Revised: 8/27/2024; DRW

PROCUREMENT AWARD DOCUMENTS

These documents are non-encumbering documents that do not lapse at the end of the fiscal year.

- Master Agreement (MA)
- Multiyear Agreement (MYA)
- JOC Multiyear Agreement (JMYA)

DEFINITIONS:

- 1. "MA"** The Award Document used for a Countywide Service Agreement that does not encumber funds. The document is set up and managed by Contracts/Purchasing.
- 2. "MYA"** The Award Document used for multiyear agreements that do not encumber funds. The document is set up and managed by the Department.
- 3. "JMYA"** The Award Document used for multiyear Job Order Contracting (JOC) agreements that do not encumber funds. The document is set up and managed by Contracts/Purchasing.

Revised: 8/27/2024; DRW

END EXHIBIT D

Exhibit E: Environmentally Preferable Purchasing and Practices (EPPPP) Policy



County of Monterey Board Policy Manual		
Policy Name Environmentally Preferable Purchasing and Practices (EPPPP) Policy	Policy Number A-20	Page 1 of 10
Policy Category Accounting, Financing and Purchasing		

- I. Purpose**
- II. Background**
- III. Policy**
- IV. Procedure**
- V. Review Date**
 - a. This Policy will be reviewed for continuance by December 14, 2027.
- VI. Board Action**
 - a. Legistar File Number: 22-1143, December 15, 2022.



County of Monterey Contracts/Purchasing Procurement Policy
 PP1001 Environmentally Preferable Purchasing and Practices (EPPP) Policy

Effective Date: 1.1.2022	Contact: Debra R Wilson
Revision Date:	Document Status: FINAL
Audience: General County	

I. PURPOSE

The County of Monterey is a large consumer of goods and services. As such, the purchasing practices of County departments have a significant impact on our environment. By purchasing climate-friendly products which have no or little impact on price or performance, the County can remain fiscally responsible while promoting practices that help improve public health and safety, reduce greenhouse gas emissions, and conserve natural resources. According to the National Association of Counties, the most important benefit counties are realizing from sustainability efforts are cost savings. The County currently has established practices for ensuring cost savings in purchasing goods and services such as publicly soliciting for contracts to ensure competitive price options and utilizing contracts which reap volume discounts as frequently as possible. Integrating climate-friendly product and service considerations into our current practices will assist in furthering the County’s cost savings efforts. Climate-friendly purchasing practices include purchasing products which contain recycled content or are derived in part or in full from renewable resources, have limited chemical toxins, and are energy star rated. The County should aim to do business with vendors who promote waste reduction and sell products which can be reused and who are otherwise certified as sustainable by a third party and this should be reflected in the vendor selection process.

2. DEFINITIONS

- 2.1. **Compost:** The product resulting from the controlled biological decomposition of organic solid wastes that are source separated from the municipal solid waste stream or which are separated at a centralized facility or as otherwise defined in [14 CCR Section 17896.2\(a\)\(4\)](#).
- 2.2. **Organic Waste:** Solid wastes containing material originated from living organisms and their metabolic waste products including, but not limited to, food, yard trimmings, organic textiles and carpets, lumber, wood, Paper Products, Printing and Writing Paper, manure, biosolids, digestate, and sludges, or as otherwise defined in [14 CCR Section 18982\(a\)\(46\)](#). Biosolids and digestate are as defined in [14 CCR Section 18982\(a\)\(4\)](#) and [14 CCR Section 18982\(a\)\(16.5\)](#), respectively.
- 2.3. **Paper Products:** Include, but are not limited to, paper janitorial supplies, cartons, wrapping, packaging, file folders, hanging files, corrugated boxes, tissue, and toweling; or as otherwise defined in [14 CCR Section 18982\(a\)\(51\)](#).
- 2.4. **Printing and Writing Papers:** Include, but are not limited to, copy, xerographic, watermark, cotton fiber, offset, forms, computer printout paper, white wove envelopes, manila envelopes, book paper, note pads, writing tablets, newsprint, and other uncoated writing papers, posters, index cards, calendars, brochures, reports, magazines, and publications; or as otherwise defined in [14 CCR Section 18982\(a\)\(54\)](#).
- 2.5. **Recovered Organic Waste Products:** Products made from California, landfill-diverted



recovered Organic Waste processed at a permitted or otherwise authorized operation or facility, or as otherwise defined in [14 CCR Section 18982\(a\)\(60\)](#). Products that can be used to meet the Annual Recovered Organic Waste Product Procurement Target shall include Compost, SB 1383 Eligible Mulch, Renewable Gas from an in-vessel digestion facility, and Electricity Procured from Biomass Conversion as described herein and provided that such products meet requirements of [14 CCR, Division 7, Chapter 12, Article 12](#).

- 2.6. **Recyclability:** Paper Products and Printing and Writing Paper offered or sold to the Jurisdiction are eligible to be labeled with an Unqualified Recyclable Label as defined in [16 Code of Federal Regulations Section 260.12 \(2013\)](#) and below.
- 2.7. **Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper:** Products that consist of at least thirty percent (30%), by fiber weight, postconsumer fiber, consistent with the requirements of [Sections 22150 to 22154 and Sections 12200 and 12209 of the Public Contract Code](#).
- 2.8. **Renewable Gas:** Gas derived from Organic Waste that has been diverted from a landfill and processed at an in-vessel digestion facility that is permitted or otherwise authorized by 14 CCR to recover Organic Waste, or as otherwise defined in [14 CCR Section 18982\(a\)\(62\)](#).
- 2.9. **SB 1383:** The Short-Lived Climate Pollutants Act, establishing methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants primarily by diverting food waste from landfills. [Senate Bill 1383 of 2016](#) was approved by the Governor on September 19, 2016, and added [Sections 39730.5, 39730.6, 39730.7, and 39730.8](#) to the Health and Safety Code, and added [Chapter 13.1 \(commencing with Section 42652\) to Part 3 of Division 30 of the Public Resources Code](#).
- 2.10. **SB 1383 Eligible Mulch:** Mulch eligible to meet the Annual Recovered Organic Waste Product Procurement Target, pursuant to [14 CCR Chapter 12 of Division 7](#). This SB 1383 Eligible Mulch shall meet the following conditions for the duration of the applicable procurement compliance year, as specified by [14 CCR Section 18993.1\(f\)\(4\)](#):
 - 2.10.1. Produced at one of the following facilities:
 - 2.10.1.1. A compostable material handling operation or facility as defined in [14 CCR Section 17852\(a\)\(12\)](#), that is permitted or authorized under [14 CCR Division 7](#), other than a chipping and grinding operation or facility as defined in [14 CCR Section 17852\(a\)\(10\)](#);
 - 2.10.1.2. A transfer/processing facility or transfer/processing operation as defined in [14 CCR Sections 17402\(a\)\(30\) and \(31\)](#), respectively, that is permitted or authorized under [14 CCR Division 7](#); or,
 - 2.10.1.3. A solid waste landfill as defined in [Public Resources Code Section 40195.1](#) that is permitted under [27 CCR Division 2](#).
 - 2.10.2. Meet or exceed the physical contamination, maximum metal concentration, and pathogen density standards for land application specified in [14 CCR Sections 17852\(a\)\(24.5\)\(A\)1 through 3](#).
- 2.11. **Unqualified Recyclable Label:** Label provided by the vendor indicating that at least 60 percent of consumers or communities where the items are sold have access to recycling facilities for the products.
- 2.12. **Electricity Produced from Biomass Conversion:** Products that meet the requirements and standards of the regulations in order to county towards meeting the jurisdiction's procurement target as specified in [14 CCR Section 18993.1](#). Eligible recovered organic waste products are



limited to those that are derived from California, landfill-diverted recovered organic waste processed at a permitted or otherwise authorized operation or facility.

- 2.13. Direct Service Providers:** A person, company, agency, district, or other entity that provides a service or services to the County pursuant to a contract or other written agreement.
- 2.14. Environmentally Preferable Products:** Are products that have lesser impact on human health and the environment when compared with competing products. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, and/or disposal of the product.

3. POLICY

It is the policy of the County of Monterey, applicable to all departments and divisions, to incorporate environmental considerations including recycled-content and recovered product use into purchasing practices and procurement. This Environmentally Preferable Purchasing and Practices (EPPP) Policy will help the County to:

- a) Protect and Conserve natural resources, water and energy;
- b) Minimize the County's contribution to climate change, pollution, toxins, and solid waste disposal;
- c) Increase the use of and identify environmentally preferable products and distribution systems;
- d) Support strong recycling models;
- e) Create an example for successfully purchasing environmentally preferable products; and
- f) Comply with State requirements as contained in SB 1383 procurement regulations to procure products and services to reduce impact on human health and the environment.

- 4. **SUSTAINABLE PURCHASING PROGRAMS:** The following programs will ensure that the County meets the goals of this policy.

4.1. The Climate-Friendly Solicitation Program:

4.1.1. Requests for Proposals (RFPs):

- 4.1.1.1. Climate Friendly Checklist: Requests for Qualifications and Requests for Quotations (RFQs) shall contain a standard checklist of climate friendly considerations. Vendors wanting to do business with the County will need to indicate which of the climate-friendly items are applicable. All items on the checklist utilized in the solicitation will be incorporated into the vendor selection process. Items included in the checklist submitted by the vendor must be incorporated into the contract and scope as represented in Appendix A.
- 4.1.1.2. Sustainable Selection Criteria: Add a minimum of 5 percentage points for businesses that demonstrate a commitment to sustainability and incorporate triple bottom line methodology in both their scope of work for the project and their day-to-day business operating processes and procedures, including but not limited to Green Business Certification, or meeting any of the third part labels outlined in Appendix B. These may be awarded as bonus points.



See Appendix C for an example of sustainable selection criteria.

4.2. Recycled and/or Refurbished Office Products Program:

- 4.2.1. All County personnel procuring goods on behalf of County business will purchase recycled content and environmentally preferable products unless such products do not perform satisfactorily and/or cost more than 10% higher than non-recycled products.
 - 4.2.1.1. SB1383 Requirements: Specifically, as required by SB1383, if fitness and quality of the Recycled-Content Products and Recycled-Content Printing and Writing Paper are equal to that of non-recycled items, all departments and divisions of the County, Direct Service Providers, and vendors shall purchase these products whenever the total cost is no more than ten percent (10%) of the total cost for the non-recycled items.
 - 4.2.1.2. Recordkeeping: All Departments are required to keep their own records of recycled paper procurement and submit those records annually by the end of Q1 of the following calendar year to the Recordkeeping Designee.
 - 4.2.1.3. Recordkeeping Designee: The Environmental Health Department will select an employee to act as the Recordkeeping Designee that will be responsible for obtaining records pertaining to Recycled-Content Paper Products and Recycled-Content Printing and Writing Paper.
- 4.2.2. Energy Star Computer Program: All Computer equipment (monitors, towers, scanners and printers) ordered must be Energy Star rated at a minimum.

4.3. Recovered Organic Waste Product Procurement Program:

- 4.3.1. SB 1383 requires an annual procurement target of 0.08 tons of recovered organic waste product per County resident population. County population is determined by the most recent annual data reported by the California Department of Finance. The County shall comply with this requirement through one or both of the following methods:
 - 4.3.1.1. Directly procuring recovered organic waste products for use, sale, or giveaway.
 - 4.3.1.2. Requiring, through a written contract or agreement, that a Direct Service Provider procures recovered organic waste products and provides written documentation of such procurement to the County.
- 4.3.2. The following conversion factors are utilized to convert tonnage in the annual recovered organic waste product procurement target to equivalent amounts of recovered organic waste products. The County may use one or more of the following products listed below to meet their SB 1383 procurement targets. One ton of organic waste in a recovered organic waste product procurement target shall equal:
 - 4.3.2.1. 21 diesel gallon equivalents (DGE) of renewable gas in the form of transportation fuel;
 - 4.3.2.2. 242 kilowatt-hours of electricity derived from renewable gas;
 - 4.3.2.3. 22 therms for heating derived from renewable gas;
 - 4.3.2.4. 650 kilowatt-hours of electricity derived from biomass conversion; Or
 - 4.3.2.5. 0.58 tons or 1.45 cubic yards of compost.
- 4.3.3. Recordkeeping:
 - 4.3.3.1. The County must keep records of this procurement including the following:
 - 4.3.3.1.1. General description of how and where the product was used and



- applied, if applicable;
 - 4.3.3.1.2. Invoice or other record or documentation demonstrating purchase, procurement, source of product, including name, physical location, and contact information for each entity, operation, or facility from whom the Recovered Organic Waste Products were procured;
 - 4.3.3.1.3. Type of product;
 - 4.3.3.1.4. Quantity of each product; and,
 - 4.3.3.1.5. Invoice or other record demonstrating sale or transfer of material to giveaway location if applicable.
 - 4.3.3.2. Vendor Giveaways: Vendor giveaways must be specified in a franchise agreement or other agreement and vendors must submit the above records to the County.
 - 4.3.3.3. Recordkeeping Designee: The Environmental Health Department will select an employee to act as the Recordkeeping Designee that will be responsible for obtaining records pertaining to Procurement of Recovered Organic Waste Products.
 - 4.3.3.3.1. The Parks Department will be responsible for executing the recovered organic waste product procurement program and must submit all records to the Recordkeeping Designee.
- 4.4. Green Buildings Program:**
- 4.4.1. All County buildings must be built to [CalGreen Tier 1 Standards](#). All contracts for construction must include this requirement in the contract.
- 4.5. Clean Fleet Purchasing Program**
- 5. ROLES AND RESPONSIBILITIES:** This section is intended to provide information on the roles and responsibilities of the programs outlined in section 4.
- 5.1. County Departments Responsibilities:**
- 5.1.1. Eliminate unnecessary purchases by participating in waste audits and County purchasing audits conducted by the Sustainability Program or consultants.
 - 5.1.2. Go Paperless wherever possible. Utilize HIPPA compliant email, DocuSign and Rightfax to eliminate the need for printing and paper usage. In cases where printing is necessary and for all County memos and mailings, double sided printing should be used.
 - 5.1.2.1. Reduce the number of personal printers and utilize network printers wherever possible; utilize secure printing if needed.
 - 5.1.3. Ensure that internal policies and procedures reference this policy, as appropriate.
 - 5.1.4. Incorporate the use of sustainable products and services that meet the intent of this policy in operations.
 - 5.1.5. Consolidate orders and minimize transportation impacts when possible.
- 5.2. P-Card Users Responsibilities:**
- 5.2.1. Take and pass the Sustainable Purchasing Academy Course in order to hold a P-card which is part of the P-card user training course.
 - 5.2.2. Avoid the purchase of products containing or emitting toxins by choosing products



that are certified by one of the third parties in Appendix B. Utilize the Climate-Friendly Purchasing Checklist as outlined in Appendix A to Comply.

- 5.2.2.1. Ensure all inks purchased or printed through a third-party vendor are non-toxic to comply with SB1383.
- 5.2.3. Recycled Products: Consistent with the requirements of [Sections 22150-22154 of the Public Contract Code](#), the County shall purchase recycled products, as defined in Section 12200 instead of nonrecycled products whenever recycled products are available at the same or a lesser total cost than nonrecycled items. Consistent with the requirements of SB1383, all paper products and printing and writing paper shall contain a minimum of 30 percent post-consumer recycled content and shall be eligible to be labeled with an Unqualified Recyclable label as defined in the definitions.
 - 5.2.3.1. Recordkeeping: Records of the below purchases must be kept and submitted to Environmental Health annually to comply with SB1383.
 - 5.2.3.1.1. Printing and Writing Paper also including business cards, letterhead stationery, envelopes, business forms, and other pertinent documents.
 - 5.2.3.1.2. Paper Products including, but are not limited to, janitorial supplies, shop towels, hand towels, facial tissue, toilet paper, seat covers, corrugated boxes, file boxes, hanging file folders, and other products composed largely of paper.
 - 5.2.3.1.3. Records of exemptions for any of the above products must be kept as per [Section 6](#) of this document.
- 5.3. Facilities and Project Managers Responsibilities:**
 - 5.3.1. Avoid the purchase of products containing or emitting toxins by choosing suppliers that are certified by one of the third parties listed in Appendix B.
 - 5.3.1.1. Use the Climate Friendly Checklist in Appendix A for cleaning supplies in solicitations.
 - 5.3.2. Include requirements for new buildings and major retrofits to be built to [CALGreen Tier 1 standards](#).
 - 5.3.3. Follow the [Recycled Products Guidelines above \(5.2.3\)](#) for contractors, janitorial staff and County staff purchases, bids and contracts.
- 5.4. Fleet Manager Responsibilities:**
 - 5.4.1. Include the Sustainability department in annual emails to departments with vehicle purchase updates.
 - 5.4.2. If purchasing an EV, notify the Sustainability department to apply for rebates and incentives.
- 5.5. Procurement Department Responsibilities:** The Procurement and Contracts Division should assist in the implementation of this policy and its goals. Such assistance should include, but is not limited to, the following:
 - 5.5.1. Educating Staff: Maintaining and distributing to departments and purchasing agents a list of resources and educational materials and/or courses regarding accessing and purchasing environmentally preferable products including recycled products.
 - 5.5.2. Sustainable Contracts: Structuring contracts to offer and/or feature environmentally preferable products, (e.g., certain office supplies, lubricating oils, and janitorial



- supplies) and ensuring environmentally preferable specifications for the product or service being solicited are considered;
- 5.5.2.1. Integrate standard sustainable procurement language into solicitation templates and maintain and update such language to incorporate evolving standards.
 - 5.5.2.2. Ensure that evaluation criteria for selecting a product or service encourages sustainable factors by providing for 5% of the scored points to be based on environmental factors, such as being a certified green business or being certified by any of the third-party labels in Appendix B, and/or incorporate minimum specifications.
 - 5.5.2.3. Ensure that the qualification of a company as a responsible bidder includes criteria for incorporating environmentally responsible goods, materials, and practices, where practical;
 - 5.5.2.4. Default to electronic proposals and generally work to obtain fewer hard copies of proposals, distributing electronic versions when possible.
 - 5.5.2.5. Photocopy requested documents produced by grantees and contractors on post-consumer recycled paper. Require all contractors and grantees to submit all requested documents to the County on recycled paper to meet SB1383 requirements. This shall include, but is not limited to, drafts, reports, training manuals, bids, responses to inquiries and permit applications.
- 5.5.3. Supplier Requirements: Inform suppliers of applicable County of Monterey sustainable procurement specifications and policies for the type of material, goods, or services being acquired. Encourage vendors to bring forward environmentally preferable products and services approaches, solutions and alternatives.
- 5.6. Sustainability Department Responsibilities:**
- 5.6.1. Drafting and maintaining a list of resources and educational materials regarding accessing and purchasing environmentally preferable products that should be updated and provided on an annual basis to Procurement and Contracts Division and Departments.
 - 5.6.2. Updating the Sustainable Purchasing Policy and training as needed.
 - 5.6.3. Assisting in the consideration of life cycle analyses of product costs and/or emissions.
 - 5.6.4. Reporting on Sustainable Procurement metrics in Municipal Climate Action Plan updates.
- 5.7. Information Technology Department (ITD) Responsibilities:** In addition to the responsibilities of all County agencies, departments and divisions, County ITD can, by virtue of their position, affect change in the County's processes, which could result in significant waste prevention. Specifically, County ITD shall:
- 5.7.1. Ensure systems and software applications utilize electronic correspondence, reporting and retention while emphasizing the "paperless office" in application training.
 - 5.7.2. Assist all County agencies, departments and divisions in setting up all computers and printers to promote this policy including the removal of banner pages and setting the default to two-sided copying.
- 5.8. Direct Service Providers/ Vendors Responsibilities:**
- 5.8.1. Comply with MWELo requirements, as applicable as defined in [Monterey County, California – Code of Ordinances Chapter 16.63 - Standards for landscaping.](#)



- 5.8.2. Comply with Recovered Organic Waste Products and Recycled-Content Paper and Recycled-Content Printing and Writing Paper requirements. Exemptions must be documented per [Section 6](#)
 - 5.8.3. Submit within 30 days of procurement the applicable documentation as described in [Section 7](#) of this policy.
 - 5.8.4. Submit on an annual basis the applicable certification documents for mulch as applicable.
 - 5.8.5. If hardcopy documents are required, all contractors and grantees will submit those documents to the County on recycled paper. This shall include, but is not limited to, drafts, reports, training manuals, bids, responses to inquiries and permit applications.
- 5.9. Paper Products and Printing and Writing Paper Vendors Responsibilities:**
- 5.9.1. Only provide Paper Products and Recycled-Content Printing and Writing Paper that meet Federal Trade Commission Recyclability standard as defined in [Title 16 Code of Federal Regulations Section 260.12](#).
 - 5.9.2. Certify in writing, under penalty of perjury, the minimum percentage of postconsumer material in the Paper Products and Printing and Writing Paper offered or sold to the County. This certification requirement may be waived if the percentage of postconsumer material in the Paper Products, Printing and Writing paper, or both can be verified by a product label, catalog, invoice, or a manufacturer or vendor internet website.
 - 5.9.3. Certify in writing, under penalty of perjury, that the Paper Products and Printing and Writing Paper offered or sold to the County is eligible to be labeled with an Unqualified Recyclable Label as defined in [Title 16 Code of Federal Regulations Section 260.12](#).
 - 5.9.4. Provide records to the County of all Paper Products and Printing and Writing Paper purchased from the vendor within thirty (30) days of the purchase. Records shall comply with [Section 4.2](#) of this policy. Exemptions must be documented per [Section 6](#).

6. EXEMPTIONS

Nothing in this policy shall be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable price (> 10% the cost of a virgin product). In those instances where it is deemed impractical to procure a recycled-content item, a specific explanation for the finding must be included in the purchasing record.

7. MONITORING/ REPORTING

Collaboratively, the Purchasing Department and Purchasing Coordinators of each Department, Environmental Health, Sustainability, Public Works, Facilities and Parks, and ITD, shall prepare and deliver to the County Administrative Officer an annual status report on the implementation of this policy and a formal recycled products list to aid in purchasing and monitoring goals. The report shall include documentation of the types, quantities, and dollar amounts of recycled products purchased in the previous year by the County, its contractors and grantees. This report shall be submitted to



CalRecycle pursuant to [14 CCR Division 7, Chapter 12, Article 13](#). See Appendix D for reporting template.

EFFECTIVE DATE OF POLICY: This Policy shall go into effect immediately.

Revision History

Date	Editor	Revisions

Exhibit F: COUNTY OF MONTEREY STANDARD AGREEMENT

COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

[Redacted]

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services to be provided are generally described as follows:

[Redacted]

2.0 PAYMENT PROVISIONS:

2.1 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: \$

3.0 [Redacted]

TERM OF AGREEMENT:

3.01 The term of this Agreement is from [Redacted] to [Redacted], unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Other:

[Redacted]

[Redacted]

5.0 PERFORMANCE STANDARDS:

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.05 The Parties agree that CONTRACTOR and its subcontractors shall be reimbursed for mileage based upon the Internal Revenue Service (IRS) standard business mileage rate at the time of travel.

7.0 TERMINATION:

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

9.04 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Waiver of Subrogation:

CONTRACTOR hereby grants to County a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the County by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.



Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

- 10.1 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.2 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.3 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.4 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County,

to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

- 10.5 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11.0 NON-DISCRIMINATION:

- 11.1 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 COMPLIANCE WITH APPLICABLE LAWS:

- 13.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices require by law in the performance of the Services.
- 13.2 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.



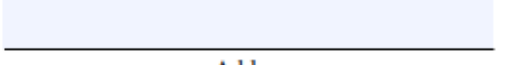
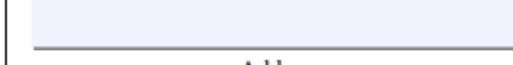
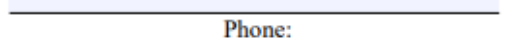
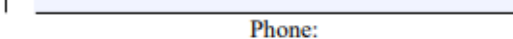
13.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
	
Name and Title	Name and Title
	
Address	Address
	
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

- 16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 16.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.
- 16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.
- 16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.
- 16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

- 16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

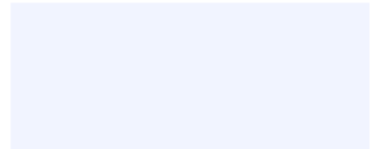
17.1 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 et seq. Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.2 Counterparts.

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.3 Form: Delivery by E-Mail or Facsimile.

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.



18.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

<p style="text-align: center;">COUNTY OF MONTEREY</p> <p>By: _____ Contracts/Purchasing Officer</p> <p>Date: _____</p> <p>By: _____ Department Head (if applicable)</p> <p>Date: _____</p> <p style="text-align: center;">Approved as to Form Office of the County Counsel¹ Susan K. Blicht, County Counsel</p> <p>By: _____ County Council</p> <p>Date: _____</p> <p style="text-align: center;">Approved as to Fiscal Provisions</p> <p>By: _____ Auditor/Controller</p> <p>Date: _____</p> <p style="text-align: center;">Approved as to Liability Provisions Office of the County Counsel-Risk Management</p> <p>By: _____ David Bolton, Risk Manager</p> <p>Date: _____</p>	<p style="text-align: center;">CONTRACTOR</p> <p>_____ Contractor/Business Name *</p> <p>By: _____ (Signature of Chair, President, or Vice-President)</p> <p>_____ Name and Title</p> <p>Date: _____</p> <p>By: _____ (Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)</p> <p>_____ Name and Title</p> <p>Date: _____</p>
--	--

County Board of Supervisors' Agreement No. _____ approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

¹Approval by County Counsel is required

²Approval by Auditor-Controller is required

³Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

END EXHIBIT F

Exhibit G: EXHIBIT A TO AN AGREEMENT

EXHIBIT-A

To Agreement by and between
[Enter department name], hereinafter referred to as "County"
AND
[Enter contractor's name], hereinafter referred to as "CONTRACTOR"

Scope of Services / Payment Provisions

A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

(Insert detailed scope of work here)

A.2 *(Optional...Delete this entire A.2 section if not applicable)* CONTRACTOR shall produce the following deliverables (written reports, installed products, etc.) by the dates indicated below:

(Insert table with deliverables listed and due dates here)

All written reports required under this Agreement must be delivered to [insert name of contract manager], County's Contract Manager, in accordance with the schedule above.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/PAYMENT

County shall pay an amount not to exceed \$ [] for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

(insert itemized rates and terms of compensation)

(ALL TAXABLE ITEMS SHOULD BE CLEARLY IDENTIFIED. It is preferable to state the tax rate applied in parenthesis and all taxes should be listed as a separate line item.)

(list any reimbursable expenses anticipated, if any, including travel expenses if allowed by County)

There shall be no travel reimbursement allowed during this Agreement.

(OR)

County and CONTRACTOR agree that CONTRACTOR shall be reimbursed for travel expenses during this Agreement. CONTRACTOR shall receive compensation for travel expenses as per the "County Travel Policy". A copy of the policy is available online at [Policies and Procedures | Monterey County, CA](#). To receive reimbursement, CONTRACTOR must provide a detailed breakdown of authorized expenses, identifying what was expended and when.

(Remove one of the two sections above regarding travel reimbursement that is not applicable. One of these 2 options should remain in your scope though.)

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

(Optional RETENTION clause...delete this if not applicable):

Retention: County shall withhold ten percent (10%) from each payment until final acceptance by County of the completion of the project (or final report, etc.).

B.2 CONTRACTORS BILLING PROCEDURES

NOTE: Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Exhibit H: RFP Template to Give Departments

1.0 INTENT

- 1.1 The County of Monterey Department, hereinafter referred to as "County", is soliciting proposals from a qualified organization(s), hereinafter referred to as "CONTRACTOR", to provide (enter a brief description of what you seek:).
- 1.2 This solicitation is not intended to create an exclusive service AGREEMENT and multiple agreement awards will/may be made (how many?). County retains the ability, at its sole discretion, to add qualified CONTRACTORS at any time.
- {OR}
- 1.2 This solicitation is intended for a single, exclusive AGREEMENT.

2.0 BACKGROUND

EXPLAIN ANY HISTORIC OR BACKGROUND INFORMATION AS APPLICABLE HERE. For example, describe your department if relevant, state the location(s) where you expect services to be provided, describe what you've done previously with regards to similar services, etc..

5.0 SCOPE OF WORK

(Depending on the solicitation, you may state the desired scope here INCLUDING timelines, detailed specifications, and the expectations of the final product. Or you may describe what you are seeking and request that the contractor submit a "Statement of Work" to include the proposed steps and a project schedule, together the Project Plan, to implement the proposed services).

The SCOPE OF WORK includes but is not limited to the following:

6.0 CONTRACT TERM

- 6.1 The term of the AGREEMENT(s) will be for a period of year(s) with the option to extend the AGREEMENT for additional one (1) year period(s).

7.0 PROPOSAL/QUALIFICATIONS PACKAGE REQUIREMENTS

7.1 CONTENT AND LAYOUT:

What are the pre-qualifications or required licenses/certifications for this work? (If you don't know then state this so C/P can research it for you):

[Redacted]

How Many references do you want listed:

[Redacted]

Do you want to see samples of their previous work or sample reports? If so, indicate in what format:

[Redacted]

Is it relevant to request that vendors submit Notices of previous Violations? Or is it not applicable? **Yes or No**

List the technical components and all other details and/or descriptions that you want the vendors to elaborate upon in their proposals. Typically these are things that will have a bearing on the selection process so be as specific and descriptive as you can and please do not number this section:

[Redacted]

If pricing and rates are a competitive factor, how do you want vendors to submit their pricing? It's advised that you draft a price sheet that they are required to complete so that side by side pricing comparisons are easy for you during the selection process. Let C/P know if you need assistance with this, otherwise please attach your price sheet to this document. If you need C/P to assist you in writing a pricing sheet, please request it ASAP.

Is a warranty applicable for this work? **Yes or No**

If so, do you have any warranty expectation and what are they?

How many people will be on the selection panel? [Redacted]

This is important because we need to know how many copies of the proposals to ask for.

Do you want an electronic copy of the proposal in addition to hard copies (for example, on a DVD or a memory stick. This is an added expense for the vendors so only ask for it if it's beneficial to you please)? **Yes or No**

9.0 SELECTION CRITERIA

The selection criteria include, but are not limited to, the following:

(List all criteria to be evaluated and used in making and award(s). Please do not number your list. Refer back to the technical specs you have on the previous page for consistency.

NOTE: Per the Board approved Climate-Friendly Purchasing Policy, the Contracts/Purchasing office will include in the selection criteria "Climate-Friendly Business Practices which facilitate County's compliance with Climate-Friendly Purchasing Policy" and points will be awarded for 'Green Certified Businesses' as well as for climate-friendly business practices outlined in proposal which correlate with County's policy.

Contracts/Purchasing will also include a section regarding the local preference policy. CP Staff will go over how this will affect your scoring should you have questions about it.

OTHER

Most RFPs take over 3 months from inception to an executed agreement, so please plan accordingly. RFP timelines are shown in averages below:

- RFP development before release: 2-3 weeks average IF the scope is fully written and adequately comprehensive.
- RFP open to public: 6-8 weeks (longer for more complex projects)
- Selection process: 2-3 weeks
- Drafting the final Agreement(s) and obtaining all required insurance docs: 2-4 weeks
- Obtaining board approval if over \$100k: An additional 2-3 weeks

Please inform us if there are any time constraints for this solicitation:

Do you want to hold an in-person Pre-Bid Meeting for questions & answers? **Yes or No.**

C/P 12/18/12

Is the resulting agreement grant funded? Yes or No. If so, what grant requirements need to be included in the Agreement?

C/P 12/18/12

END EXHIBIT H

Exhibit I: ASSIGNMENT AND ASSUMPTION

ASSIGNMENT AND ASSUMPTION AGREEMENT

by and between

("Assignor")

and

("Assignee")

July 13, 2023

ASSIGNMENT AND ASSUMPTION
AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Assignment") is made and entered as of _____, by and between _____, ("Assignor"), and _____, ("Assignee").

RECITALS

A. COUNTY OF MONTEREY ("County"), and Assignor entered into a Countywide Service Agreement to perform Print Shop and Copy Related Services for the County of Monterey effective as of _____ (the "Agreement").

B. Assignor now wishes to assign to Assignee all of its right, title and interest in and to, and all of its obligations under, the Agreement to Assignee, and Assignee desires to accept such assignment and to assume such obligations.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained in this Assignment and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignment. Effective as of _____ ("Assignment Effective Date,") Assignor hereby assigns to Assignee all of its right, title, interest in and to, and all of its terms, covenants, conditions and obligations under, the Agreement.

2. Assumption. Effective as of Assignment Effective Date, Assignee hereby accepts the assignment set forth in Section 1 above and expressly assumes and agrees to keep, perform and fulfill, from and after the Assignment Effective Date, all of the terms, covenants, conditions and obligations required to be kept, performed and fulfilled by Assignor under the Agreement.

3. Successors and Assigns. This Assignment shall be binding on and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

4. Third Party Beneficiaries. Except as expressly provided in this Section, no person other than the parties hereto shall have any right, benefit or obligation under this Assignment as a third-party beneficiary or otherwise.

5. Miscellaneous.

(i) Headings. The headings in this Assignment are for convenience of reference only and are not part of the substance hereof.

(ii) Benefit. This Assignment shall be binding upon and inure to the benefit of the parties and their respective successors, assigns and, if applicable, heirs and administrators.

(iii) Counterparts. This Assignment may be executed in multiple originals and by counterpart.

(iv) Governing Law. This Assignment shall be construed under the laws of the State of California.

(v) Amendments. No alteration amendment or modification hereof shall be valid, unless executed by an instrument in writing by the parties hereto with the same formality as this Assignment.

(vi) Further Assignments. Nothing in this Assignment shall imply any right to make further assignments of the Agreement other than in accordance with the Agreement.

[signature page follows]

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment as of the day and year first above written.

("Assignor")

Title

Title

("Assignee")

Name:
General Partner

Tax ID# _____

ACKNOWLEDGEMENT AND CONSENT

COUNTY OF MONTEREY, hereby consents to the foregoing assignment and assumption.

COUNTY OF MONTEREY

Contracts/Purchasing

By:

Debra R. Wilson
Contracts/Purchasing Officer

Auditor/Controller

By:

Ma Mon
Chief Deputy Auditor/Controller

Approved as to form
Office of the County Counsel
Susan K. Blitch, County Counsel

By:

Mary Grace Perry
Deputy County Counsel

April 26, 2024

Page 3 of 3

END EXHIBIT I

Exhibit J: PROTEST POLICY

COUNTY OF MONTEREY ADMINISTRATIVE PROTEST PROCEDURES:

Purpose:

To provide a procedure for the resolution of protests filed by bidders or prospective bidders who believe that they have been aggrieved by the County of Monterey procurement process.

Policy:

The County of Monterey (hereinafter referred to as "County") will entertain protests from interested parties regarding its procurement actions. County will respond to any bona fide protest provided that the administrative protest is not of a frivolous or vexatious nature. County will not allow a protest to delay the procurement of necessary goods or services unless it is apparent that County participated in a practice that granted an unfair advantage to a participant during the procurement process. This policy will not apply if and after the contract has been submitted and approved by the Board of Supervisors.

County reserves the right to consider a protestor's efforts to resolve an issue administratively prior to submission of a formal protest to determine the protestor's intent.

Definitions:

- **"County"**- means County of Monterey
- **"Bidder, Vendor, or Contractor"**- means a business or individual who sells or attempts to sell commodities and/or services to County.
- **"Prospective Bidder, Vendor, or Contractor"**- means a person or business that has the capacity to make a written offer to sell to County.
- **"Deputy Purchasing Agent"**- means a Buyer or Management Analyst within the Contracts/Purchasing Division who is an authorized Deputy Purchasing Agent as recognized by the Contracts/Purchasing Officer.
- **"Contracts/Purchasing Officer"**- means the authorized individual deputized by the County Administrative Officer to act on behalf of County as the Purchasing Agent.
- **"Contract"**- means any contract, agreement, purchase order or order placed by County to receive goods or services from an external source.
- **"Day or Days"**- means a working day or days of County.
- **"Interested Party"**- means a participant or prospective participant in the procurement whose direct economic interest is affected by the award of the contract for the procurement.
- **"Proposal"**- means a response to County procurement solicitation, including but not limited to quotations, bids, proposals and expressions of interest or qualifications.

Rationale:

To encourage maximum participation in County solicitation process, individuals and businesses that desire to do business with County should be provided with an equitable procedure under which they may file a bid protest.

Submission of Protests:

Any interested party may file a bid protest with County on the basis that County failed to comply with a federal or state law, or that County failed to follow its Procurement Regulations. A valid protest must include at a minimum, but not limited to the following information:

- 1) Name and address of the protestor
- 2) Identification of the procurement action being protested
- 3) A statement of the reason for the protest, identifying the federal or state law or the County Procurement Regulation that the protestor alleges has been violated by the County.

Types of Protests and Deadlines to File:

The deadline for a valid protest will be determined by the progress of the procurement. County will recognize the following three types of protests:

1. Protest regarding Solicitation

Any protest regarding the solicitation process must be filed with the Contracts/Purchasing Officer no later than seven (7) business days prior to the deadline to submit offers.

Note: This type of protest includes a claim that the solicitation process contained exclusionary or discriminatory specifications, any challenge to the basis for award or any claim that the procurement documents or the procurement process violates a federal or state law or fails to follow County's Procurement Regulations.

2. Protest regarding Evaluation of Proposals

Any protest regarding the evaluation of proposals must be filed with the Contracts/Purchasing Officer no later than seven (7) business days from the day that County's decision to award is announced. Any protest filed after such date will not be considered.

Note: This type of protest challenges County's determination of responsiveness of proposals and responsibility of proposers, errors in calculation or that County's evaluation of proposals violated a federal or state law or County's Procurement Regulations.

3. Protest regarding Notification of Intent to Award Contract

Any protest regarding the award of a contract must be filed with the Contracts/Purchasing Officer no later than seven (7) business days after the date of

notification of intent to award. Any protest filed after this date will not be considered.

Note: This type of protest will only be entertained by County if the protestor is able to demonstrate that the party awarded the contract fraudulently represented itself as a responsible bidder or that County violated any federal or state law or County's Procurement Regulations in awarding the contract.

The County's Response to Protests:

County will notify a protestor upon receipt of a timely protest and may, where appropriate, request further information for clarification purposes. County may, at its sole discretion, meet with the protestor to review the issues raised in the protest. County's consideration of the protest, except as otherwise provided in the following paragraph "**Decisions by the Contracts/Purchasing Officer**", will be in accordance with the following provisions:

1. Protest regarding Solicitation

Upon receipt of a valid protest regarding a solicitation process, County will postpone the deadline for submission of offers until the protest in question has been resolved.

If the protest regarding the solicitation process includes a claim of unduly restrictive or exclusionary specifications, County will, in considering the protest, consider both the specific needs of the County for the item challenged and any effect on competition of including the specification regarding that item. If County determines that such item was included in the specification in order to meet a legitimate need of County, and was not unduly restrictive of competition or designed to exclude a particular competitor, then County will immediately deny the protest.

2. Protest regarding Proposals

Upon receipt of a valid protest regarding the evaluation of proposals, County will suspend its evaluation of all offers until resolution of the protest. If County determines that the protestor has established reasonable doubts to the process, County will respond.

3. Protest regarding Evaluation of Proposals

Any bid protest regarding the evaluation of proposals by the County must be filed with the Contracts/Purchasing Officer no later than seven (7) business days after the opening of the bids. Any protest filed after this date will not be considered.

This type of protest would include any challenge to determinations by the County of the responsiveness of a bid or the responsibility of a bidder, or any claim that the evaluation of bids violated federal, state law or the County's Procurement Regulations.

4. Protest after Notification of Intent to Award

Upon receipt of a timely protest regarding the award of a contract, County will issue a stop work order, if necessary, until the resolution of the protest. If County determines that the protestor has established a prima facie case that the contract was awarded fraudulently or is in violation of a federal or state law or the County's Procurement Regulations, the County will respond.

5. Protest regarding Notification of Intent to Award Contract

Any protest regarding the award of the contract must be filed with the Contracts/ Purchasing Officer no later than seven (7) business days after the date of notification of intent to award. Any protest regarding the award of the contract filed after that date will not be considered.

This type of protest will only be entertained by the County if the protestor is able to demonstrate that the party awarded the contract fraudulently represented itself as a responsible bidder or that the County violated federal, state law or County Procurement Regulations in the award of the contract.

As indicated above, in most instances, County Contracts/ Purchasing Officer will suspend the procurement action upon receipt of a bona fide bid protest. However, County reserves the right, notwithstanding the presence of a protest, to proceed with the appropriate action in the procurement process including but not limited to the following instances:

- a. When failing to fulfill the need for the items or services would cause irreparable harm to the County or its customers;
- b. When the County determines that the protest is vexatious or frivolous; or
- c. When delivery or performance will be unduly delayed or other undue harm would occur by delaying the award of the contract.

After review of a bid protest submitted under these provisions, County will issue a written decision on the basis of the information provided by the protestor, the result of any meetings with the protestor, and County's investigation of the matter. If the protest is upheld, County will take the appropriate action to correct the procurement to protect the rights of the protestor, including, but not limited to, reissuance of the procurement, revised evaluation of the offers or County's conclusion of the evaluation of the proposals, or termination of the contract.

If the protest is denied, County will terminate the suspension of the procurement that was imposed during the consideration of the protest and will proceed with the procurement.

END EXHIBIT J

COUNTY OF MONTEREY

JOB ORDER CONTRACTING (JOC)
POLICY GUIDELINES



COUNTY OF MONTEREY JOB ORDER CONTRACTING POLICY GUIDELINES

I. POLICY AND PROCESS OVERVIEW

The County of Monterey (County), through the Board of Supervisors (hereinafter "Board"), will conduct all Job Order Contracting (JOC) in accordance with these Policy Guidelines and the guiding principles and regulatory requirements of applicable Federal, State and County codes and regulations. The County's JOC program may be further guided by duly approved Board actions and policies.

II. PURPOSE AND SCOPE

The purpose and scope of these Policy Guidelines is to provide an overview of the general guiding principles and regulatory requirements that form the basic foundation of the County's JOC process. JOC can play a vital role in county contracting. The JOC process is an alternative procurement method to the typical competitive bidding process. JOC is an additional procurement vehicle intended to supplement the current procurement processes authorized by law for the use of those departments currently authorized to procure works of improvement for the County.

These Policy Guidelines, together with the resolution approving it, shall constitute the order of the Board of Supervisors required under California Public Contracts Code Section 20128.5. In accordance with Section 20128.5, no job shall be performed under a job order contract approved by the Board, except as approved by persons authorized by the Board, acting in accordance with these Policy Guidelines.

Public Contract Code section 20128.5. Repair, remodeling, or other repetitive work on county buildings provides:

Notwithstanding any other provisions of this article, the board of supervisors may award individual annual contracts, none of which shall exceed three million dollars (\$3,000,000), adjusted annually to reflect the percentage change in the California Consumer Price Index, for repair, remodeling, or other repetitive work to be done according to unit prices. No annual contracts may be awarded for any new construction. The contracts shall be awarded to the lowest responsible bidder and shall be based on plans and specifications for typical work. No project shall be performed under the contract except by order of the board of supervisors, or an officer acting pursuant to Section 20145.

For purposes of this section, "unit price" means the amount paid for a single unit of an item of work, and "typical work" means a work description applicable universally or applicable to a large number of individual projects, as distinguished from work specifically described with respect to an individual project.

For purposes of this section, "repair, remodeling, or other repetitive work to be done according to unit prices" shall not include design or contract drawings.

The Attorney General provides further guidance:

A "job order contract" (JOC) is a competitively bid, firm fixed price, indefinite quantity contract for the performance of minor construction, as well as the renovation, alteration, painting, and repair of existing public facilities. A JOC... is bid and awarded prior to the identification of any specific projects to be performed. Thus, a typical JOC involves a variety of tasks such as the remodeling, renovation, and repair, including roofing, electrical, plumbing, and painting, of all of a public agency's buildings for a period of years.

A JOC is a fixed price agreement in the sense that it is based upon specified charges contained in a unit price book (prepared by the public agency or by independent commercial sources) setting forth detailed repair and construction tasks, including task descriptions, specifications, units of measurement, and unit prices for each task. A contractor's bid is expressed in terms of a percentage of the specified book charges such as 115 percent or 125 percent. The book is then used to determine the costs of each proposed project during the term of the contract.

III. APPLICATION AND RESPONSIBILITY

These Policy Guidelines apply to all applicable County departments and agencies that process Job Order Contracts. The Board hereby authorizes the following Department Heads to process and approve Job Orders (as defined below) under JOC:

Director of the Resource Management Agency (RMA);
Director of Public Works;
Director of the Parks Department;
Chief Executive Officer of the Natividad Medical Center (NMC).

Additionally, the Contracts-Purchasing Officer shall also be authorized to approve Job Orders in cases of emergency only. The head of each Department and Agency (hereinafter referred to as "Department Heads") authorized to process the JOC shall designate a departmental Project Manager (PM) responsible for ensuring compliance with the provisions of this Policy for any given project. All references to Project Manager or PM refer to the County's Project Manager unless indicated otherwise.

IV. JOC OVERVIEW

A. Definitions

1. Job Order Contract. A Job Order Contract (hereinafter referred to as JOC) is an indefinite quantity contract pursuant to which the Contractor will perform a variety of projects, consisting of specific construction tasks. The scope of JOC is for repair, remodeling and other repetitive related work. The JOC is publicly bid pursuant to the Public Contract Code. The County intends to publish annually one or more Construction Task Catalogues® (CTC) containing a series of construction tasks with preset Unit Prices. All Unit Prices are based on experienced labor and high quality materials, specifically considering local labor, material and equipment prices, including the current

prevailing wages. The Contractor will bid Adjustment Factors (the Contractor's competitively bid price adjustment to the Unit Prices as published in the Construction Task Catalog®) to be applied to the Unit Prices. The price of an individual project will be determined by the County multiplying the preset Unit Prices and the appropriate quantities by the appropriate Adjustment Factor.

2. Job Order. A Job Order is a document signed by the County that describes the work to be accomplished for any given project that is authorized under an awarded JOC. Each Job Order will include a Detailed Scope of Work, a firm fixed price, a time duration for the completion of the work and any special conditions that might apply to that specific Job Order, such as liquidated damages. (Also collectively referred to as 'Job Order Documents').

B. Construction Task Catalog®. The JOC includes a Construction Task Catalog® (CTC). The CTC is a comprehensive listing of the various components/ segments of labor, material, and equipment used to develop the cost of construction-related repair or refurbishment projects. The standard tasks are based on the use or experienced labor with high quality materials. All of the unit task prices are approved by the County and incorporate prevailing State wage and local materials cost data.

C. Adjustment Factor. The Contractor will bid Adjustment Factors to be applied to the Unit Prices in the CTC. The JOC may require more than one set of price adjustment factors to account for overtime work or different categories (such as size and value) of work. An "award criteria figure" (the sum of the Adjustment Factors) will be used to determine the lowest bidder. The award shall be made to the lowest responsible bidder.

D. Bidder's Meeting. Attendance at the bidder's meeting is mandatory for JOC Contract bidders. The bidder's meeting will be advertised as to time and location. The agenda of the bidder's meeting is usually to discuss the JOC concept, and to discuss JOC from the contractor's perspective. The County will also address and answer questions from the pre-bid conference through written addenda.

E. Selection of Contractor. The award of multiple JOC contracts will be used to maintain control over contractor performance, quality of work, and timely completion at controlled prices. Maintaining flexibility in the contractor selection process will optimize the County's control.

1. County is under no obligation to award work beyond the guaranteed minimum value to be established by the Board of Supervisors in the bid documents. County is under no obligation to award any specific number of Job Orders. However, as work and funds become available, job orders will be provided to each JOC Contractor as early in the JOC Contract period as feasible to satisfy the minimum value.
2. To the extent feasible, Job Orders will be distributed on a fair basis, having in mind the goal of meeting the needs of the County and rewarding good performance. Staff may apply criteria such as, but not limited to, timely and

accurate performance of JOC processes, quality construction, timely completion of Job Orders and close-out, safety record, meeting project order goals, project specific requirements, and local employment participation. Each job order will be evaluated on the Contractor Evaluation form, attached as an exhibit to, and made a part of, these Policy Guidelines, as they may be amended from time to time.

F. Contract Value. The JOC has a maximum contract dollar value and a fixed contract term as set forth in PCC Section 20128.5, and as approved by the Board of Supervisors in the bid documents. The bid document may set a minimum order quantity.

G. Contract Term. The term of each Job Order Contract will be for one year, except that the JOC shall continue to cover Job Orders issued during that year until the work there under has been completed. Accordingly, all Job Orders must be issued, but need not necessarily be completed, within one calendar year of the commencement date of the Job Order Contract.

H. Insurance and Bonds. Insurance and payment and performance bond requirements will be established by the Board of Supervisors for the JOC. The selected Contractor will comply with these requirements as a condition of the JOC award.

I. Contractor Obligations/ Qualifications. Under the JOC, the Contractor furnishes management, labor, materials, equipment, and engineering support as required to perform the work covered by the applicable Job Order that is issued under the awarded JOC contract. Proper licenses are required at the time of bid for the JOC contract for the Contractor to be considered a responsive bidder.

J. Contractor Mobilization. The County will expect full contract performance from the start date of the Job Order Contract. The contractor must be fully operational and capable of starting work upon the initial award of the JOC. The Contractor is expected to commence mobilization activities as soon as practical after a Job Order award.

V. PROJECT MANAGEMENT

A. Job Order Process

1. Determination to use JOC. The authorized Department Head identified in section III above reviews a proposed project and initially determines an appropriate method to execute the project. Examples of methods include design-bid-build (competitive bidding pursuant to the Public Contract Code), JOC, force account or some other procurement method. The Board of Supervisors may revise the list of Departments and Agencies authorized in section III to issue Job Orders by subsequent amendment of these Policy Guidelines.
2. Criteria. As part of the Project Initiation process for a Job Order, the proposed work shall satisfy at least the following criteria:

- a. The scope of work involves only repair, remodeling or other repetitive work.
 - b. The project is not new construction. JOC contractor is not performing design or contract drawings.
 - c. Compliance with California Environmental Quality Act (CEQA) has been verified (e.g., the work is either not a "project" under CEQA; the project has been determined to be categorically exempt; or other appropriate environmental review has been performed, such as a Negative Declaration or Mitigated Negative Declaration).
 - d. The project is consistent with an approved County capital improvements plan, or is scheduled or unscheduled maintenance.
 - e. All permits, including but not limited to building and storm water permits, have been obtained, or a determination that a permit is not needed has been made by the appropriate authority. The designated Project Manager will provide appropriate justification for this determination on the Project Initiation form.
 - f. The Job Order will be done with already approved plans and specifications prepared by a licensed architect, engineer or other design professional, or plans and drawings are not required. The designated Project Manager will provide appropriate justification for this determination on the Project Initiation form.
 - g. Appropriations and the availability of funds for the project have been confirmed.
3. Project Manager review. The project's designated Project Manager is responsible for ensuring that these immediately preceding criteria have been satisfied prior to issuance of a Job Order.
 4. Documenting Project Manager and Department Head review. Before a Job Order is initiated, the Project Manager shall document, and the authorized Department Head shall review and approve, that the above criteria are satisfied and that the work may be processed as a Job Order. The finance or budget manager/officer of the department using JOC to complete a project must execute the Project Initiation form to confirm appropriations and the availability of funds prior to scheduling a Joint Scope Meeting with the Contractor
 5. Other Legal Requirements. The use of JOC is not intended to supersede any other legal requirements.
 6. Job Order Development. Each Job Order must be approved by a Project Manager pursuant to the JOC Execution Procedures listed below in section VI. A Joint Scope Meeting is held with the contractor, PM, and the Gordian Group representative to review the scope of work. The duration of the project, and the amount of liquidated damages, if any, is determined during Job Order development. A Request for Proposal (RFP) is then sent to the contractor. The contractor prepares and submits a Proposal Package. The PM and authorized Department Head will evaluate the Proposal Package,

including the correct tasks and quantities, and determine if the JOC Contractor proposes to accomplish the detailed scope of work, including any specific project provisions, in an acceptable manner. If the JOC Contractor's price proposal is found to be reasonable, a Job Order may be issued at the agreed upon units which, when multiplied by the Unit Price and Adjustment Factor, will establish the firm-fixed price for the Job Order. Each Job Order issued will represent a separate contractual obligation to be performed under the terms and conditions, fixed unit rates, and price adjustment factors in the controlling JOC. These steps will be processed using eGordian®, the Job Order Contracting software, under a license provided by The Gordian Group, Inc.

1. **Non-Prepriced Items.** These are units of work that are not included in the Construction Task Catalog® but which are within the general scope and intent of this Contract. The costs associated with non-Prepriced items are established in the General Conditions in the Project manual.
 2. **Sub-Contractor(s).** Because a Job Order Contract (JOC) is an indefinite quantity contract pursuant to which Contractor will perform a variety of Job Orders, Contractor must designate Subcontractors, in accordance with California Public Contracts Code Section 4100 to 4113, inclusive, in each Proposal Package. As part of each Job Order Proposal Package, the awarded JOC Contractor shall provide a list of subcontractors, giving the name and location of place of business, license number, subcontract value, and any other information the County deems relevant, including bonding, of each subcontractor who will perform a portion of the Job Order work in an amount in excess of one-half of one percent of the Job Order Proposal. In each instance the nature and extent of the work to be subcontracted shall be described.
- B. Emergency JOC Ordering.** An emergency means a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. Once an emergency has been declared by the responsible County agent, and pursuant to laws governing an emergency condition, the following procedure outlined below identifies the steps in the processing of an emergency job order:
1. Using eGordian®, the Project Manager (PM) for the appropriate Department/Agency, arranges and conducts a Joint Scope Meeting with the Contractor. The PM shall provide the Contractor with information on the trades that may be involved in dealing with the particular emergency so that the Contractor can invite the appropriate subcontractors if necessary.

2. The PM prepares the Notice to Proceed for an emergency project with a not-to-exceed amount and obtains the required signatures from the designated Department Head. (See "5" below for signature authority during non-business hours.)
3. The PM and the Contractor determine the tasks and quantities to remedy the Emergency while at the site. The tasks and quantities shall be limited to the work required to protect the public's health, safety and/or welfare and to give the Monterey County staff the time necessary to develop a long term solution to the problem.
4. The PM obtains the approval of the designated Department Head and gives the Contractor the signed Notice to Proceed on an Emergency Project at the site with the scope of work. The PM keeps a copy for the file. The Contractor shall begin work immediately after receiving the duly executed Notice to Proceed on an Emergency Project.
5. For emergencies after hours, weekends, or County holidays, the Department Head will designate specific staff to exercise authority to address emergency projects. The signatures of the designated Department Head will be obtained by the Project Manager on the next business day.
6. No later than the next business day, the PM develops and enters the RFP and detailed scope of work into eGordian® based on the data gathered during the Joint Scope Meeting.
7. The PM issues the eGordian® Scope of Work and RFP to the Contractor.
8. Contractor prepares the proposal.
9. The process continues with Step III and IV of the JOC Execution Procedures Outlined in Section VI of the Project Manual for review and final approval.

C. Capital Improvement Committee (CIC) Reporting, Review and Consideration

1. Departments using JOC shall provide a quarterly report to the CIC of all projects completed and all future projects planned to be completed with JOC program, regardless of pricing.
2. The quarterly reports shall include such information as will allow the CIC to assess the overall effectiveness of the JOC program, such as (but not limited to) the following: number of job orders issued, value of job orders issued, Contractor and subcontractor names, number of Contractor evaluations completed, level of attainment of aspirational goals of the County (for example, local hire requirements), and such other information as the Department head deems useful or helpful.
3. Prior CIC review and consideration is required for Job Order with a project value greater than \$1,000,000 per Job Order per Contract.
4. Use of JOC shall be consistent with the County Five-Year Capital Improvement Plan.

VI. JOC EXECUTION PROCEDURES. Once the Department Head has authorized the use of JOC for a specific project, the overall Job Order execution procedures shall adhere to the following process:

Step I: Project Initiation	Forms
<ul style="list-style-type: none"> • Department Head reviews project and determines most appropriate method to execute project. • If project assigned to JOC, Project Initiation Form is filled out by the designated Project Manager. All criteria will be reviewed by Project Manager. • The estimated duration of the project and the amount of liquidated damages, if any, is determined. • Project Initiation Form submitted to the designated Department Head and the department’s finance or budget manager/officer (designated “Finance” on the signature line on forms) for review and signatures. • Once appropriate signatures are obtained, Project Initiation Form is submitted to The Gordian Group (TGG) for project creation in the eGordian® software. • TGG creates a Job Order project in eGordian®, prints a Job Order Checklist and starts a Project File. 	<p>Project Initiation Job Order Checklist</p>
Step II: Project Development	Forms
<ul style="list-style-type: none"> • TGG/designated PM schedules a Joint Scope Meeting with all appropriate parties and sends a Joint Scope Invitation and Initial Scope of Work to JOC Contractor. • TGG/designated PM clearly reviews the Scope of the project with the Contractor at the Joint Scope Meeting. • TGG creates Joint Scope Minutes and issues as appropriate. • Based on the Joint Scope Meeting, TGG/designated PM updates the Initial Scope of Work and the Estimate (if necessary). • TGG prepares and issues the Request for Proposal (RFP) and submits to the Contractor with an updated Scope of Work. 	<p>Joint Scope Invitation Initial Scope of Work Joint Scope Minutes Request for Proposal</p>
Step III: Proposal Development and Review	
<ul style="list-style-type: none"> • Contractor prepares Proposal Package based on RFP and updated Scope of Work. • Contractor submits Proposal Package to TGG through eGordian® • TGG/designated PM reviews the Proposal Package and work with the Contractor to make any required changes. 	<p>Proposal Package:</p> <ul style="list-style-type: none"> ▪ Cost Proposal ▪ NPP Backup ▪ Subcontractor List ▪ Duration Schedule ▪ Drawings/Submittals

<p>Step IV: Project Approval</p> <ul style="list-style-type: none"> • When the parties are satisfied with the Proposal Package, TGG approves proposal in eGordian® and updates the Scope of Work (if necessary). • TGG creates and submits Contractor’s Cost Proposal and Final Scope of Work to Contractor for signature. • Contractor signs forms and returns to TGG/designated PM. • TGG creates and submits Job Order Authorization and TGG Invoice to designated PM. • Designated PM signs forms and obtains signatures from the Department Head, Contracts/Purchasing Officer and the department’s finance or budget manager/officer (designated “Finance” on the signature line on forms). • TGG/designated PM creates a Notice To Proceed, obtains signature and issues NTP to Contractor 	<p>Job Order Authorization Final Scope of Work Cost Proposal Summary TGG Invoice Notice to Proceed</p>
<p>Step V: Construction and Inspection</p> <ul style="list-style-type: none"> • Designated PM schedules and chairs a Pre-Construction Meeting with all appropriate parties. • Inspector inspects the work as appropriate. • Contractor requests partial payments as appropriate • Contractor requests final inspection. • The Department Head or their authorized designee issues a Completion Certificate when the Project is 100% complete 	
<p>Step VI: Payments</p> <p>A. Partial Payments</p> <ul style="list-style-type: none"> • Contractor submits a Certificate of Payment and calculation of completed Work • Designated PM reviews the project and verifies percentage complete and adjusts as appropriate. • Designated PM forwards Certificate of Payment to Accounts Payable • Accounts Payable processes payment and forwards to the Controller who sends the check to the Contractor. <p>B. Final Payments</p> <ul style="list-style-type: none"> • County will make one payment for all Job Orders that have a Job Order completion time of 30 days or less, or a Job Order Price of \$25,000 or less. • Contractor submits final Certificate of Payment once construction is 100% complete. • For projects in excess of 30 days or price in excess of 	<p>Certificate of Payment Certified Payroll Notice of Completion</p>

\$25,000, County retains 5% until at least 35 days after the Notice of Completion is filed.	
Step VII: Project Close-out	
<ul style="list-style-type: none"> When the project is 100% complete including all Guarantees, Warrantees, O&M Manuals, As-Builts, etc., but prior to final payment, the Department Head or authorized designee records a Notice of Completion. TGG/designated PM completes a Contractor Evaluation in eGordian® and retains copy in Project File for inclusion into quarterly reports to CIC. TGG closes out the project in eGordian® and archives the Project File. County staff determines if the particular contractor should be awarded further work based on its performance. 	Contractor Evaluation
Administration	
<ul style="list-style-type: none"> CIC Tracking & Reporting 	Departmental staff using JOC shall report back to the CIC quarterly.

A. Forms

The forms (as they may be amended from time to time) attached hereto shall be used to implement the JOC program and specifically in the processing of Job Orders. If there is any discrepancy or conflict between the forms and the text of these Policy Guidelines, the text of these Policy Guidelines shall prevail.

B. Flow Chart

The flow chart on the following page is for illustrative purposes. If there is any discrepancy or conflict between the flow chart and the text of these Policy Guidelines, the text of these Policy Guidelines shall prevail.

COUNTY OF MONTEREY – VENDOR DATA RECORD (Rev 6-9-17)																												
Section 1	Requirement to Complete Vendor Data Record A completed Vendor Data Record (VDR) is required for payments to all vendors and will be kept on file at the County. Please return the fully completed VDR form and any other necessary documents for vendor setups/updates to the County of Monterey – Contracts/Purchasing at the address listed in this section. (For more information on Vendor Registration Process, visit http://www.co.monterey.ca.us/admin/vendorinfo.htm)																											
Section 2	Enter the payee's legal business name as shown on your income tax return . Individuals/Sole proprietorships must also include the owner's full name as shown on your income tax return . The "Ordering" address should be the address at which the payee chooses to receive correspondence and orders. Do not enter payment address or lock box information here. The "Payment" address should be the address the payee chooses to receive payment. If there are multiple Payment addresses, please list them and send it together with the completed Vendor Data Record (VDR) form.																											
Section 3	Check ONE box that corresponds to the payee entity type. (For more information on account types and TIN info, visit www.irs.gov) What Name and Number to Give the Requester																											
	<table border="1"> <thead> <tr> <th colspan="2">For this type of Account</th> <th>Give name and SSN of:</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Individual</td> <td>The individual</td> </tr> <tr> <td>2</td> <td>Two or more individuals (joint account)</td> <td>The actual owner of the account or if combined funds, the first individual on the account</td> </tr> <tr> <td>3</td> <td>Custodian account of a minor</td> <td>The minor</td> </tr> <tr> <td>4</td> <td>a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law</td> <td>The grantor-trustee The actual owner</td> </tr> <tr> <td>5</td> <td>Sole proprietorship or disregarded entity owned by an individual</td> <td>The owner</td> </tr> <tr> <td>6</td> <td>Grantor trust filing under Optional Form 1099 filing Method</td> <td>The grantor</td> </tr> </tbody> </table>	For this type of Account		Give name and SSN of:	1	Individual	The individual	2	Two or more individuals (joint account)	The actual owner of the account or if combined funds, the first individual on the account	3	Custodian account of a minor	The minor	4	a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee The actual owner	5	Sole proprietorship or disregarded entity owned by an individual	The owner	6	Grantor trust filing under Optional Form 1099 filing Method	The grantor						
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Section 4	Check ALL boxes that are applicable to the category of payment. Indicate if you are a former employee of the County of Monterey. Green Business Certification within the Tri-County area (Monterey, Santa Cruz and San Benito Counties) is administered through the Monterey Bay Area Green Business Program (www.montereybaygreenbusiness.org). Vendors from outside the Tri-County area are encouraged to seek similar certification from a local authority within their jurisdiction, and if a similar green business type of certification has been issued, vendors should check the "Yes" box. Green Business Certification may be used as one of the selection factors when awarding contracts from solicitations issued by the County of Monterey, therefore vendors should inform the County of this certification.																											
Section 5	ARE YOU A CALIFORNIA RESIDENT OR NONRESIDENT? A corporation will be defined as a CA Resident if it has a permanent place of business in California or is qualified through the Secretary of State to conduct business in California. A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at the time of death. A trust is considered a resident if at least one trustee is a California resident. For individuals and sole proprietors , the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a non resident. Payments to all non-resident vendors may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. Due to resource limitations, the County of Monterey will withhold 7% of their total payments even when the following conditions apply: 1) The total payments to the vendor are \$1,500 or less for the calendar year; and 2) The vendor is providing a combination of goods and services; and 3) The vendor is performing services for the County of Monterey both inside and outside of California. If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form and submit to the County of Monterey. For information on Nonresident withholding, contact the Franchise Tax Board at the numbers listed below: Withholding Services and Compliance Section: 1-888-792-4900 or Outside the United States: 1-916-845-4900 For hearing impaired with TDD, call: 1-800-822-6268 or E-mail Address: wscs.gen@ftb.ca.gov or visit FTB's Website: www.ftb.ca.gov																											
Section 6	Provide the name, title, signature and telephone number of the beneficial owner of the payment requested or authorized agent of beneficial owner. Provide the date the form was completed.																											
Privacy Statement Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. The County of Monterey requires that all parties entering into business transactions that may lead to payment(s) from the County must provide their Taxpayer Identification Number (TIN) as required by Revenue and Taxation Code Section 18646, to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by Internal Revenue Code Section 6109(a). It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties up to \$20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact County of Monterey, Contracts/Purchasing at the address listed in Section 1 of this form.																												

END EXHIBIT L

Exhibit M: California Form 590

The payee completes this form and submits it to the withholding agent. The withholding agent keeps this form with their records.

Withholding Agent Information
Name
COUNTY OF MONTEREY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA

Payee Information
Name
Address (apt./ste., room)
City (if you have a foreign address, see instructions.) State ZIP code

- Exemption Reason
Check only one box.
By checking the appropriate box below, the payee certifies the reason for the exemption from the California income tax withholding requirements on payment(s) made to the entity or individual.
Individuals — Certification of Residency:
Corporations:
Partnerships or Limited Liability Companies (LLCs):
Tax-Exempt Entities:
Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit-Sharing Plans:
California Trusts:
Estates — Certification of Residency of Deceased Person:
Nonmilitary Spouse of a Military Servicemember:

CERTIFICATE OF PAYEE: Payee must complete and sign below.
Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for 1131 to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code 948 when instructed.
Under penalties of perjury, I declare that I have examined the information on this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare under penalties of perjury that if the facts upon which this form are based change, I will promptly notify the withholding agent.
Type or print payee's name and title Telephone
Payee's signature Date

END EXHIBIT M

Exhibit N: California Form 587

The payee completes this form and returns it to the withholding agent. The withholding agent keeps this form with their records.

Part I Withholding Agent Information

Withholding agent's name
 COUNTY OF MONTEREY, A POLITICAL SUBDIVISION OF THE STATE OF CALIFORNIA
 Address (apt./ste., room, PO box, or PMB no.)
 168 WEST ALISAL STREET
 City (If you have a foreign address, see instructions.) State ZIP code
 SALINAS CA 93901

Part II Nonresident Payee Information

Payee's name SSN or ITIN FEIN CA Corp no. CA SOS file no.
 Address (apt./ste., room, PO box, or PMB no.)
 City (If you have a foreign address, see instructions.) State ZIP code
 Nonresident payee's entity type: (Check one)
 Individual/sole proprietor Corporation Partnership Limited liability company (LLC) Estate or trust

Part III Payment Type

Nonresident payee: (Check one)
 Performs services totally outside California (no withholding required, skip to Certification of Nonresident Payee) Provides goods and services in California (see Part IV, Income Allocation)
 Provides only goods or materials (no withholding required, skip to Certification of Nonresident Payee) Provides services within and outside California (see Part IV, Income Allocation)
 Other (Describe) _____

If the nonresident payee performs all the services within California, withholding is required on the entire payment for services unless the payee is granted a withholding waiver from the Franchise Tax Board (FTB). For more information, get FTB Pub. 1017, Resident and Nonresident Withholding Guidelines.

Part IV Income Allocation

Gross payments expected from the withholding agent during the calendar year for:

	(a) Within California	(b) Outside California	(c) Total payments
1 Goods and services:			
Goods/materials (no withholding required)			
Services (withholding required)			
2 Rents or lease payments			
3 Royalty payments			
4 Prizes and other winnings			
5 Other payments			
6 Total payments subject to withholding.			
Add column (a), line 1 through line 5			
Nonresident withholding threshold amount:	\$1,500.00		
Backup withholding threshold amount:	\$0.00		

Certification of Nonresident Payee

Our privacy notice can be found in annual tax booklets or online. Go to ftb.ca.gov/privacy to learn about our privacy policy statement, or go to ftb.ca.gov/forms and search for **1131** to locate FTB 1131 EN-SP, Franchise Tax Board Privacy Notice on Collection. To request this notice by mail, call 800.338.0505 and enter form code **948** when instructed.

Under penalties of perjury, I declare that I have examined the information on this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. I further declare under penalties of perjury that if the facts upon which this form are based change, I will promptly notify the withholding agent.

Sign Here	Print or type payee's name	Telephone
	Payee's signature X	Date
	Print or type representative's name and title	Telephone
	Authorized representative's signature X	Date

Exhibit O: PROFESSIONAL SERVICES AGREEMENT

**COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
WITH SURVEYORS, ARCHITECTS, ENGINEERS & DESIGN PROFESSIONALS**

This Professional Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

- 1. **SERVICES TO BE PROVIDED.** The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services generally provided are described as follows:

_____.

- 2. **PAYMENTS BY COUNTY.** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ _____.

- 3. **TERM OF AGREEMENT.** The term of this Agreement is from _____ to _____, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.

- 4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

- 5. **PERFORMANCE STANDARDS.**
 - 5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

- 5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

- 6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to County. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

7. TERMINATION.

- 7.01. During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.
- 7.02. The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

8. INDEMNIFICATION.

- 8.01 For purposes of the following indemnification provisions ("Indemnification Agreement"), "design professional" has the same meaning as set forth in California Civil Code section 2782.8. If any term, provision or application of this Indemnification Agreement is found to be invalid, in violation of public policy or unenforceable to any extent, such finding shall not invalidate any

other term or provision of this Indemnification Agreement and such other terms and provisions shall continue in full force and effect. If there is any conflict between the terms, provisions or application of this Indemnification Agreement and the provisions of California Civil Code Sections 2782 or 2782.8, the broadest indemnity protection for County under this Indemnity Agreement that is permitted by law shall be provided by CONTRACTOR.

8.02 Indemnification for Design Professional Services Claims:

CONTRACTOR shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claims that arise out of, or pertain to, or relate to the negligence, recklessness, or willful misconduct of CONTRACTOR, its employees, subcontractors, and agents in the performance of design professional services under this Agreement, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County, but in no event shall the amount of such CONTRACTOR's liability exceed such CONTRACTOR's proportionate percentage of fault as determined by a court, arbitrator or mediator, or as set out in a settlement agreement. In the event one (1) or more defendants to any action involving such claim or claims against County is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, such CONTRACTOR shall meet and confer with the other parties to such action regarding unpaid defense costs.

8.03 Indemnification for All Other Claims or Loss:

For any claim, loss, injury, damage, expense or liability other than claims arising out of CONTRACTOR's performance of design professional services under this Agreement, CONTRACTOR shall indemnify, defend and hold harmless County, its governing board, directors, officers, employees, and agents against any claim for loss, injury, damage, expense or liability resulting from or alleging injury to or death of any person or loss of use of or damage to property, arising from or related to the performance of services under this Agreement by CONTRACTOR, its employees, subcontractors or agents, excepting only liability arising from the sole negligence, active negligence or willful misconduct of County, or defect in a design furnished by County.

9. INSURANCE.

9.01 Evidence of Coverage:

Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Division, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and such, insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

9.02 Qualifying Insurers:

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A VII, according to the current A.M.

Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

- 9.03 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

9.04 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Waiver of Subrogation:

CONTRACTOR hereby grants to County a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the County by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days

after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

- 10.01 Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.05 Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.
13. **COMPLIANCE WITH APPLICABLE LAWS.**
- 13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement as well as any privacy laws including, if applicable, Health Insurance Portability and Accountability Act (HIPAA). CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices require by law in the performance of the Services.
 - 13.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.
 - 13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.
14. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability, which County may incur because of CONTRACTOR's failure to pay such taxes.

15. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR’s Contract Administrators at the addresses listed below:

FOR COUNTY:	FOR CONTRACTOR:
Name and Title	Name and Title
Address	Address
Phone	Phone

16. **MISCELLANEOUS PROVISIONS.**

- 16.01 Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 16.02 Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 16.03 Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 16.04 Contractor. The term “CONTRACTOR” as used in this Agreement includes CONTRACTOR’s officers, agents, and employees acting on CONTRACTOR’s behalf in the performance of this Agreement.
- 16.05 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 16.06 Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 16.07 Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.



- 16.08 Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 16.09 Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 16.10 Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 16.11 Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 16.12 Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 16.13 Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.
- 16.14 Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.
- 16.15 Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.
- 16.16 Independent Contractor Compliance with Government Code Section 1097.6 (c). This section applies to those situations when a contractor/consultant is awarded a Contract for a preliminary phase of a project, with future phases to be bid separately. This section does not apply to those situations when a Contract is awarded for multiple phases of a project under a single contract/proposal. When applicable, and as described below, contractor/consultant's duties and services under this agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering this agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. Contractor/consultant's participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. Contractor/consultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by contractor pursuant to this agreement.

17. CONSENT TO USE OF ELECTRONIC SIGNATURES.

- 17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 USC Section 7001 *et seq.*; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).
- 17.02 Counterparts. The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in PDF via email transmittal.
- 17.03 Form: Delivery by E-Mail or Facsimile. Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in PDF by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

***** THIS SECTION INTENTIONALLY LEFT BLANK *****



IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer

Date: _____

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form
Office of the County Counsel¹
Susan K. Blich, County Counsel

By: _____
County Counsel

Date: _____

Approved as to Fiscal Provisions²

By: _____
Auditor/Controller

Date: _____

Approved as to Liability Provisions
Office of the County Counsel-Risk Management³

By: _____
David Bolton, Risk Manager

Date: _____

CONTRACTOR

Contractor's Business Name*

By: _____
(Signature of Chair, President, or
Vice-President)*

Name and Title

Date: _____

By: _____
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

Name and Title

Date: _____

County Board of Supervisors' Agreement Number: _____.

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

¹Approval by County Counsel is required for all Professional Service Agreements over \$100,000

²Approval by Auditor/Controller is required for all Professional Service Agreements

³Approval by Risk Manager is required only if changes are made in paragraphs 8 or 9

END EXHIBIT O

Exhibit P: Amendment #1 to Agreement

Amendment #1 to Agreement Title

**AMENDMENT #1
TO COUNTYWIDE SERVICE AGREEMENT
BETWEEN
COUNTY OF MONTEREY
&
CONTRACTOR**

THIS AMENDMENT #1 is made to the AGREEMENT (Agreement title or RFP #) for the provision of INSERT SERVICES DESCRIPTION in the Agreement by and between CONTRACTOR NAME, hereinafter "CONTRACTOR", and the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County" (collectively, the "Parties").

WHEREAS, the County executed the original AGREEMENT on [REDACTED]; and

WHEREAS, the Parties wish to amend the AGREEMENT to reflect the County's exercise of the option to extend for one (1) additional year through [REDACTED]; and

NOW THEREFORE, the County and CONTRACTOR hereby agree to amend the AGREEMENT in the following manner:

1. Section 4.0, "TERM OF AGREEMENT", shall be amended by removing "The term of this Agreement will be for a period of three (3) years from [REDACTED] to [REDACTED]" and replacing it with "The term of this Agreement will be from [REDACTED] to [REDACTED]."
2. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT are unchanged and unaffected by this AMENDMENT #1 and shall continue in full force and effect as set forth in the AGREEMENT.
3. A copy of this AMENDMENT #1 shall be attached to the original AGREEMENT dated [REDACTED].

IN WITNESS WHEREOF, the parties have executed this AMENDMENT #1 as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer
Date: _____
By: _____
Department Head (if applicable)
Date: _____

Approved as to Form
Office of the County Counsel
Susan K. Blich, County Counsel

By: _____
Deputy County Counsel
Date: _____

Approved as to Fiscal Provisions
Auditor Controller

By: _____
Date: _____

Approved as to Liability Provisions
Office of the County Counsel-Risk Management

By: _____
David Bolton, Risk Manager
Date: _____

CONTRACTOR

ALLWORLD LANGUAGE CONSULTANTS, INC.

By: _____
(Signature of Chair, President, or Vice-President)
Name and Title
Date: _____

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)
Name and Title
Date: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

¹Approval by County Counsel is required

²Approval by Auditor-Controller is required

³Approval by Risk Management is necessary only if changes are made in section 8

END EXHIBIT P

County of Monterey



Capital Asset Policy

Office of the Auditor-Controller

168 W. Alisal Street

Salinas, California

Effective December 11, 2007

[Version November 16, 2007]

County of Monterey Capital Asset Policy

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GENERAL INFORMATION

Introduction

The County of Monterey's policies for the acquisition, valuation, and disposition of capital assets are contained within this document. These policies are designed to aid County departments, offices, and institutions under the control of the Board of Supervisors by clarifying the County's definition of capital assets. Relevant State Government Codes and Accounting Standards are incorporated within the policies. Proper capital asset accounting provides the County with the data necessary to:

1. Prepare financial reports.
2. Safeguard sizable investments.
3. Identify custodial responsibility.
4. Assist with risk management/insurance activities.
5. Formulate future acquisition and retirement policies.
6. Recover costs from Federal and State programs or fee reimbursement programs.

Auditor-Controller Responsibility

California Government Code §26881 states that the Auditor-Controller "...shall prescribe, and shall exercise a general supervision over the accounting forms and the method of keeping the accounts of all departments, offices, and institutions under the control of the board of supervisors...". Accordingly, the Auditor-Controller is responsible for establishing the County of Monterey's Capital Asset Policy. The Auditor-Controller will make revisions to the Policy as required by law, generally accepted accounting principles, or practical necessity. Final determination for definitions, valuations, and proper accounting entries required to record capital asset transactions rests with the Auditor-Controller. The Auditor-Controller shall maintain a capital asset system to be used for a significant portion of the County's capital assets. Alternate internal systems in use by Enterprise Funds and Internal Service Funds must provide sufficient data to support financial reporting purposes. The Auditor-Controller may verify the integrity of capital asset records by conducting periodic physical inventories of capital assets and make any necessary adjustments to the capital asset system and financial records.

Departmental Responsibility

California Government Code §24051 states that "...each county officer or person in charge of any office, department, service, or institution of the county, ...shall file with the county clerk, or with the county auditor, according to the procedure prescribed by the board, an inventory under oath, showing in detail all county property in his possession or in his charge...". This inventory is required to be completed by July 10th for each fiscal year ended June 30th. To facilitate the fulfillment of the requirements of this section and in order to prepare accurate financial reports, each department shall appoint a representative to work with the Auditor-Controller's Office and Contracts/Purchasing to maintain accurate and up-to-date capital asset accounting records. County Departments are also responsible for safeguarding assets that are not defined as capital assets by the Policy Guidelines.

Overview

Capital assets are broadly defined as financial resources that are tangible or intangible in nature and have a useful life greater than one year. Examples of capital asset categories are Land, Land Improvements, Buildings, Building Improvements, Infrastructure, and Equipment. The County's Capital Asset Policy defines capital assets under each classification, addresses useful life ranges, sets minimum capitalization thresholds, and gives examples of costs to include in the value of the capital asset. Additionally, the policy discusses the treatment of unique items such as Computer Software, Capital Leases, Self-Constructed Assets, Works of Art, Donated Assets, Construction in Progress, Costs incurred Subsequent to Acquisition, and Transfers of Assets between Funds.

Capital assets are to be accounted for at historical cost, or if cost is not practically determinable, at estimated fair market value at the time acquired or placed into service. Generally, cost includes all expenses associated with the acquisition, construction, and installation of a capital asset. If appropriate, salvage/residual values should be determined prior to recording an asset.

If the funding source of an asset is a grant, or the asset is acquired by gift or donation, the source or donor should be identified. If multiple funding sources apply, all sources should be identified. For historical assets, if the funding source cannot be determined, the asset shall be recorded under the general fund.

Summary of Capitalization Thresholds

Although the service life of certain buildings, improvements, and equipment, may extend beyond one year, the County has established minimum capitalization thresholds for administrative purposes. All purchases below the applicable class threshold are to be expensed in the current period.

Class	Capitalization Threshold
Land	\$ 0
Land Improvements	\$ 100,000
Buildings	\$ 100,000
Building Improvements	\$ 100,000
Infrastructure: Pavement	\$ 100,000
Bridges	\$ 100,000
All Other	\$ 100,000
Equipment, Furniture, & Vehicles	\$ 5,000
Intangible Assets	\$ 5,000
Capital Leases	\$ 5,000
Leasehold Improvements	\$ 100,000
Works of Art / Historical Treasures	\$ 0
Construction in Progress for Year End Reporting	Projects expected to exceed \$ 100,000 at completion

Useful Life Ranges

Useful lives are determined by suggested useful life tables and professional judgment, since similar capital assets may have different useful lives depending on how and where they are used. Questions about the useful life of a specific asset should be decided upon jointly by department personnel and the Auditor-Controller's Office. Items that have useful lives of less than one (1) year are not to be capitalized.

Budgetary Control

Assets are categorized, budgeted, and reported by account code. Annually, the Board of Supervisors considers capital asset acquisitions as part of the budget process. Each asset represented in a capital account budget total should be individually identified with estimated cost for possible Budget Analyst review. Capital assets may be added or changed during the budget year, but each asset must be presented to the Board for approval.

Capital Accounts

- Land
- Buildings and Improvements
- Infrastructure
- Construction in Progress (for multi-year projects)
- Other Assets
 - Works of Art
 - Intangibles
 - Vehicles
 - Equipment
 - Capital Leases

ACQUISITION OF CAPITAL ASSETS

Land and Land Improvements

Definitions: *Land* includes all investments in real property other than structures and land improvements.

Land Improvements are non-building assets that enhance the quality or facilitate the use of land. Examples of depreciable land improvements include parking lots, driveways, sidewalks, retaining walls, fencing, outdoor lighting, landscaping, irrigation systems, recreation areas, athletic fields and courts, and fountains. Land improvements such as fill, grading, and excavation that provide permanent benefits and incur limited deterioration with use or the passage of time are to be classified with land as non-depreciable.

Capitalization: All Land is to be capitalized. Land Improvements valued at or over \$100,000 will be capitalized.

Valuation: The cost of land includes all expenditures in connection with acquisition and preparation for use such as, but not limited to:

- | | |
|--|--------------------------------|
| Purchase Price | Appraisal and negotiation fees |
| Title search and filing/recording fees | Relocation costs |

Costs of consents	Clearing, filling, and grading land for use
Condemnation costs	Demolishing or removing structures
Surveying fees	Hazardous waste clean-up

Receipts from the sales of salvage should be credited against the land cost.

In the case of land and buildings acquired as a single parcel, the value of the land and buildings should be determined individually and recorded separately into their respective capital accounts.

Infrastructure Land: Land acquired for infrastructure projects shall be capitalized in the Land capital account rather than the Infrastructure capital account.

Buildings and Building Improvements

Definitions: *Buildings* are structures that are physical property of a permanent nature that enclose people, equipment, services, or functions. Buildings may include major high cost components such as boilers, elevators, HVAC systems, and roofs. If practical, these components should be recorded separately in the capital asset system to simplify future replacement transactions and because their useful lives can differ from buildings.

Building Improvements are additions or improvements to buildings that increase the value or extend the useful life of a building. Refer to “Treatment of Costs Subsequent to Acquisition” section of this document for more specific information. Examples include replacing major building components, structural additions to a building, major energy conservation projects, installation of upgraded plumbing or electrical systems, and major renovations of exterior structural deterioration.

Capitalization: Buildings and Building Improvements valued at or over \$100,000 will be capitalized.

Valuation: The cost of Buildings and Building Improvements includes all expenditures in connection with acquisition or construction, such as:

Purchase price or construction costs	Fixtures attached to the structure
Filing and other closing costs	Inspections and tests
Architects’ fees	Payment of damages
Cost of permits and licenses	Accident or injury costs
Insurance during construction	

The cost shall be reduced for:

- Sale of salvage from materials charged against the construction
- Discounts, allowances and rebates secured
- Amounts recovered through surrender of liability and casualty insurance

For Proprietary Funds only, the actual or imputed interest costs associated with the construction period shall be capitalized in accordance with Financial Accounting Standards Board (FASB) Statement No. 34, FASB Statement No. 62, and supplemental updates.

Infrastructure

Definition: Infrastructure is categorized as community service assets that are long-lived, generally stationary in nature, and normally preserved for a significantly greater number of years than most capital assets. Examples are pavements, curbs, gutters, and sidewalks associated with roadways, bridges, sewer systems, water distribution systems, and water drainage systems.

Expansions and Improvements to infrastructure are those capital outlays that increase the asset's capacity or level of service, such as adding lanes to a road.

Capitalization: Infrastructure and infrastructure improvements valued at or over \$100,000 will be capitalized. Refer to "Treatment of Costs Subsequent to Acquisition" section of this document for more specific information.

Valuation: The cost of Infrastructure includes the purchase price, contract prices, internal costs (see Self-Constructed Assets paragraph), and any other expenditures necessary to put the infrastructure into its intended state of operation. Refer to the Buildings paragraph for examples of costs to include.

Land purchased for infrastructure projects shall be capitalized into the Land account.

Infrastructure acquired from developers or private associations which have been 'Accepted into the County Maintained System' by the Board of Supervisors must have a value determined for capitalization review. Historical costs or estimated values should be available in reports required from the original developer within the permit process. Land must be capitalized as a separate non-depreciable asset within the Land capital account at fair market value as of the date of acceptance.

Preservation costs that significantly extend the useful life of an asset beyond its original estimated useful life, but do not increase the capacity of the asset, are generally capitalized. Examples are seismic retrofitting bridges and reconstructing, recycling, or overlaying pavement.

Maintenance costs allow an infrastructure asset to continue to operate at its intended level of service during its originally established useful life and are not to be capitalized.

Equipment

Definition: Equipment includes physical moveable personal property such as machines, tools, furniture, vehicles, aircraft, mobile home/office trailers, and computer servers. Equipment does not include major systems integrated into a building or structure such as elevators, boilers, roofs, or HVAC. Software capital assets are managed within the Equipment capital account (see Computer Software paragraph).

Capitalization: Individual units valued at or over \$5,000 and a useful life of over one (1) year.

The group method for capitalization may apply in limited circumstances for equipment. Grouping includes a number of different units purchased at the same time whose defined purpose is to work in conjunction with one another, their independent operation is not feasible, and replacement of which is intended as a whole. Purchase of multiple identical units (e.g. 4 printers @ \$1,850 ea.) rarely represents valid grouping. Examples of valid grouping are:

- Modular furniture. Initial lot purchases and each subsequent lot or component over \$5,000
- Computer systems comprised of hardware and software components designed to work exclusively with one another
- Unique multi-device systems for communications or vehicles

Valuation: The cost of equipment includes all costs necessary to acquire and place the equipment into service, such as:

Purchase or construction price, less discounts	Installation Costs
Freight or other carriage charges	Initial operational training
Sale, use, or transportation taxes	

The cost of new equipment should not be reduced by the value of trade-ins. Trade-ins shall be retired from the capital asset and financial systems, and any resultant gain or loss for the asset being traded-in should be recognized on its disposition for Proprietary Funds.

Intangible Assets

Definition: Intangible assets are defined as financial assets that lack physical substance. Common examples of intangible assets are easements, rights-of-way, and computer software.

Software Capitalization: An individual software application or license purchased for County use shall be capitalized if it is valued at or over \$5,000 and its useful life will be greater than one (1) year.

Software Valuation: Software purchased as a component of a system designed to work exclusively with specific hardware shall be capitalized with the hardware using the group method and the \$5,000 threshold as noted in the equipment paragraph above. Computer software developed or obtained for internal use shall follow the capital asset guidance provided in the AICPA SOP 98-1. Vendor modifications, such as patches and version upgrades, used to keep software in a usable state as opposed to adding significant new capabilities, should be charged as maintenance expense.

Capital Leases

A capital lease is a lease that transfers substantially all the benefits and risks of ownership of property to the County at the end of the lease term. Leases which meet one of the four requirements listed below, as defined by Financial Accounting Standards Board (FASB) Statement 13, are considered capital leases and shall be accounted for as a capital asset if the cost of the property exceeds its class's capitalization threshold.

1. The lease transfers ownership of the property to the lessee by the end of the lease term.
2. The lease contains a bargain purchase option.
3. The lease term equals 75% or more of the estimated economic useful life of the leased property.
4. The present value of the minimum lease payments exceeds 90% or more of the fair market value of the lease property at the date of the lease agreement.

(The last two criteria do not apply when the asset is already in the last quarter of its economic life, which includes the asset's economic life prior to the lease.)

For Proprietary Funds only, the actual or imputed interest costs associated with capital leases shall also be capitalized in accordance with FASB Statement No. 34, FASB Statement No. 62, and supplemental updates.

Self-Constructed Assets

Capital assets constructed by County personnel are recorded in the same manner as those acquired by purchase or construction contract. Capitalization thresholds continue to apply.

Costs are initially charged to the accounts of the cost center performing the construction and are then transferred to the capital asset account. These costs include direct labor, materials, equipment usage and overhead. Overhead is limited to those items, such as worker's compensation and employee group insurance premiums, retirement, sick leave, and vacation allowances, which can be distributed on the basis of direct labor. Administrative overhead outside the cost center may be capitalized when clearly related to the construction.

Leasehold Improvements

Leasehold Improvements are improvements to buildings or structures that the County leases to be used during the term of that lease. Leasehold improvements are permanent in nature in that they involve physical modifications to a leased property. As such, moveable equipment or office furniture that is not attached to the leased property is not considered a leasehold improvement. Leasehold improvements do not have a residual value as they revert to the lessor at the expiration of the lease.

Leasehold improvements are capitalized by the lessee and are amortized over the shorter of (1) the remaining lease term, or (2) the useful life of the improvement. Improvements made in lieu of rent shall not be capitalized. If the lease contains an option to renew and the likelihood of renewal is uncertain, the leasehold improvement should be written off over the life of the initial lease term or useful life of the improvement, whichever is shorter.

Eminent Domain

The value of a capital asset obtained through eminent domain shall include all direct costs included in reaching a settlement with the seller.

Works of Art and Historical Treasures

Works of Art and County Historical Treasures shall be capitalized and recorded at historical cost. Works of Art and Historical Treasures that are inexhaustible should not be depreciated.

Donated Assets

Capital assets that are donated to the County are to be recorded at their fair market value as of the date of acceptance by the Board of Supervisors plus any ancillary costs necessary to place those assets into service. The department receiving the donation is responsible for obtaining and providing written information required to create a Capital Asset record. Surplus property purchased at nominal prices far below actual value are in part a donation and shall be valued at the estimated fair market value at the time of acquisition.

ADDITIONAL CAPITAL ASSET ISSUES

Treatment of Costs Subsequent to Acquisition

Major expenditures that increase future benefits from an existing capital asset beyond its previously assessed standard of performance shall be capitalized. After a capital asset has been placed into service, subsequent expenditures are capitalized if they meet the asset's class threshold and:

1. Extend the estimated life or increase the value of the asset as per established thresholds defined in this document, or
2. Increase the future service potential, (capacity, or efficiency) of the asset, or
3. Are for a new major fixture of a building (e.g. elevator, boiler, HVAC, roof), or
4. For depreciated roads, the 'base' has been impacted by a recycle, reconstruction, or overlay.

The determination as to whether expenditures meet any of these factors shall be made by an evaluation of engineering design, physical condition, cost, and other relevant factors.

Alteration or Remodeling of buildings. Costs to change the physical structure or arrangement of capital assets that do not extend the building's useful life shall not be capitalized.

Maintenance is defined as expenditures, which neither materially add to the value of property nor prolong its life, but merely maintains its original level of service or condition. Maintenance costs shall not be capitalized.

Construction in Progress

Construction in Progress includes new construction or improvements to land, buildings, or infrastructure that have not been physically completed or have not had all project costs processed by fiscal year-end and the final cost of which is expected to exceed \$100,000. Construction in Progress expenditures shall be reported to the Auditor-Controller's General Accounting Division at the end of each fiscal year as the sum of the expenditures to date by project, to be classified under Construction in Progress account.

Depreciation

Depreciation is the process of allocating the cost of depreciable capital assets over a period of time, rather than incurring the entire cost as an expense in the year of acquisition. This process recognizes an asset's periodic cost of use and declining usefulness over time. Land, certain land improvements, and certain works of art and historical treasures are inexhaustible and are therefore not depreciated.

As a matter of policy, the County has elected to adopt the straight-line method of depreciation. Unless clear evidence indicating that the expected consumption of an asset will be significantly greater in the early portions than in the later portions of its useful life, the straight line method of depreciation shall be applied as follows:

$$(\text{Asset Cost} - \text{Residual Value}) / \text{Estimated Useful Life in Years} = \text{Annual Depreciation Expense}$$

Residual value is the amount that can be anticipated to be recovered when the asset is no longer useful for its intended purpose. Useful life should approximate the time an asset will provide service to the County.

Capital assets that become fully depreciated and are still in use must remain in the financial capital accounts and identified within a capital asset system until they are disposed of.

Asset Dispositions, Transfers, and Sales

Surplus items are those that are no longer required by the asset's custodial department. These assets may be traded in for new assets, transferred to other departments, or transferred to Purchasing for classification as surplus and for subsequent redistribution to other departments, sale, or disposal. Any sale, transfer, donation, disposal, or dismantling of a capital asset must receive approval from the County Purchasing Manager.

All transfers and sales require an update in the capital asset system. This includes transfers and sales between funds, transfers between departments, and site location changes. In addition to a capital asset system update, a financial transaction is necessary for the transfer or sale between funds. A *transfer* would remove the asset from the giving fund and record it in the receiving fund at the *original acquisition cost with depreciation incurred to date*. A *sale* would remove the asset from the giving fund and record it in the receiving fund at the *agreed upon amount*.

Stolen or missing assets must be reported to the County Purchasing Manager immediately.

GLOSSARY OF EXHIBITS

Exhibit A: PROCUREMENT CARD POLICY

Exhibit B: Monterey County Local Preference Policy

Exhibit C: SOLE SOURCE/SOLE BRAND JUSTIFICATION

Exhibit D: Procurement Award Documents

Exhibit E: Environmentally Preferable Purchasing and Practices (EPPPP) Policy

Exhibit F: COUNTY OF MONTEREY STANDARD AGREEMENT

Exhibit G: EXHIBIT A TO AN AGREEMENT

Exhibit H: RFP Template to Give to Departments

Exhibit I: ASSIGNMENT AND ASSUMPTION

Exhibit J: PROTEST POLICY

Exhibit K: JOB ORDER CONTRACTING (JOC) POLICY GUIDELINES

Exhibit L: COUNTY OF MONTEREY – VENDOR DATA RECORD

Exhibit M: California Form 590

Exhibit N: California Form 587

Exhibit O: PROFESSIONAL SERVICES AGREEMENT

Exhibit P: Amendment #1 to Agreement

Exhibit Q: Capital Asset Policy

Revision History

Date	Editor	Revisions
2/6/2025	J. Amezcua	