



REGION 10 PIHP

SUBJECT Procurement		CHAPTER 01	SECTION 06	SUBJECT 01
CHAPTER Administrative		SECTION Provider Network		
WRITTEN BY Jeff De Lay	REVIEWED BY Richard Carpenter		AUTHORIZED BY PIHP Board	

I. APPLICATION:

- PIHP Board
 CMH Providers
 SUD Providers
 PIHP Staff
 CMH Subcontractors

II. POLICY STATEMENT:

It is the policy of Region 10 that all procurement will be conducted in a fair treatment for those involved in Region 10 procurement—the process for buying, purchasing, renting, leasing, or other acquisition—of supplies and services. Region 10 shall maximize the quality and quantity of what Region 10 purchases with public funds and safeguard Region 10’s purchasing system.

III. DEFINITIONS:

None

IV. STANDARDS:

- A. 2 CFR 200.320; 48 CFR 2.101.
- B. Medicaid Managed Care Attachment P 37.0.1

V. PROCEDURES:

- A. Procurement Under Managed Care
 - i. Any Medical Services purchased and expected to exceed \$250,000 must be procured in accordance with Attachment P 37.0.1 of the Medicaid Managed Specialty Supports and Services Contract
 - ii. The CEO shall ensure adequate competition and pricing by procuring services at least once every 5 years. The CEO may establish procedures that achieves this by procuring and subset of the service delivery system each year if all areas are covered within a five-year timeframe.

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- iii. In accordance with the Medicaid Waiver, services purchased from the Community Mental Health Service Programs (CMHSPs) falling within Region 10's geographical boundary and not required to be competitively procured.
- B. All Other Procurement
 - i. All other purchases must follow the procurement guidelines established 2 CFR 200.320
- C. Micro-Purchases
 - i. Purchases that do not exceed the micro-purchase threshold established by 48 CFR 2.101 (\$10,000 at the time this policy was approved) may be awarded without soliciting competitive quotations. To the extent practicable, the CEO must distribute micro-purchases equitably among qualified suppliers.
 - ii. For the purpose of this policy, an "adequate number" is considered to be at least two.
- D. Noncompetitive Procurement

Noncompetitive procurement from only one source may be used only when one or more the following circumstances apply:

 - i. The item is available only from a single source
 - ii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
 - iii. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity
 - iv. After solicitation of a number of sources, competition is determined inadequate.
- E. Competitive Procurement-Sealed Bids and Requests for Proposals (RFPs)

When a contract's anticipated value exceeds the total sum of \$250,000 and the circumstances for noncompetitive procurement do not exist, procurement must be conducted by either sealed bids or competitive proposal.

 - i. Sealed Bidding
 - a. An invitation for competitive sealed bids (formal advertising) may be used when the following conditions exist:
 - i. The contract requirements, specifications, or purchase description can be described and is finite and specific in details (i.e., no unknowns or no contingencies)
 - ii. There are two or more bidders that could satisfy the requirements and are willing to compete for the business
 - iii. The procurement lends itself to a firm fixed price contract and the selection of the bidder can be made principally on the basis of price
 - b. If utilized the following requirements apply:

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- i. Bids must be solicited from an adequate number of known supplies, providing them sufficient response time prior to the date set for opening the bids, and the invitation for bids must be publicly advertised
 - ii. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond.
 - iii. All bids must be opened at the time and place prescribed in the invitation for bids and must be opened publicly.
 - iv. A firm fixed price contract award must be made in writing to the lowest responsive (i.e., the bid meets all the requirements of the invitation to bid, including design specifications) and responsible (i.e., the contractor has the capability in all respects, including technical and financial) bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of
 - v. Any or all bids may be rejected if there is a sound documented reason
- ii. Competitive Proposal
- a. A request for proposal (RFP) may be used when conditions are not appropriate for the use of sealed bids. When utilizing an RFP process the following requirements apply:
 - i. The RFP must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical
 - ii. Proposals must be solicited from an adequate number of qualified sources
 - iii. The CEO must have a written method for conducting technical evaluations of the proposals received and for selecting recipients
 - iv. Contracts must be awarded to the responsible firm whose proposal is most advantageous with price and other factors considered
 - v. Competitive proposal procedures may be used for qualifications-based procurement of architectural engineering (A/E) professional services whereby competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services through A/E firms.

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F. Purchase Authority

- i. The Board must approve all contracts over \$250,000 prior to award unless determined to be an Emergency Purchase, in which case approval will be requested at the next Board meeting. Contracts specifically identified in the budget are considered approved in conjunction with budget approval
- ii. The CEO or designee must approve any purchase in excess of \$50,000 made by Region 10
- iii. The CFO or designee may approve any purchases less than the \$50,000 threshold requiring CEO approval

VI. **EXHIBITS:**

Contract Attachment P 37.0.1

VII. **REFERENCES:**

None