

**LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING**

Date: Wednesday, September 17, 2014

Time: 12:00 pm

UC Merced Building
550 E. Shaw Ave.
Inyo/Kern Room
Fresno, CA 93710

AGENDA

ITEM	SUBJECT	PRESENTER
1.	CALL TO ORDER	Chair Perea
2. Action Pg. 1	APPROVE MINUTES FROM AUGUST 27, 2014, REGULAR BOARD MEETING Supporting Document	E. Reyes, E.D
3. Action Pg. 3	REVIEW AND APPROVE A CONTRACT WITH PACIFIC SOLAR COMPANY, FOR A SOLAR PHOTOVOLTAIC DESIGN-BUILD SYSTEM, IN AN AMOUNT NOT TO EXCEED \$914,512 Supporting Documents	E. Reyes, E.D S. Rapada, Staff
4. Information	LIGHTHOUSE FOR CHILDREN PROJECT STATUS REPORT	E. Reyes, E.D
5.	PUBLIC COMMENT	Chair Perea
6.	ADJOURNMENT	Chair Perea

NOTE: If you need disability modification(s) and/or other accommodation(s) in order to participate in this meeting, please contact the office at (559) 241-6515 at least 48 hours prior to the start of the meeting. Government Code Section 54954.2(a).

4. UPDATE BY LEGAL COUNSEL OF MODIFICATIONS TO THE FIRST 5 ORDINACE BY THE COUNTY OF FRESNO AS IT RELATES TO LIGHTHOUSE FOR CHILDREN, INC.

KEN PRICE, LEGAL COUNSEL, STATED THAT THE NEW LIGHTHOUSE FOR CHILDREN BOARD WILL BE APPOINTED AFTER NEW COMMISSIONERS ARE APPOINTED TO THE FIRST 5 FRESNO COUNTY COMMISSION.

CHAIR PEREA ASKED STAFF TO SEND THE FIRST 5 COMMISSION APPLICATION OUT TO THE LIGHTHOUSE FOR CHILDREN BOARD MEMBERS.

NO ACTION REQUIRED.

Public Comment:

PATRICIA PINEDO, COUNTY OF FRESNO, STATED THAT APPLICATIONS FOR THE FIRST 5 FRESNO COUNTY COMMISSION WILL BE AVAILABLE FRIDAY, AUGUST 29, 2014 AND WILL BE DUE, IN HARD COPY FORM, TO THE CLERK TO THE BOARD OF SUPERVISORS BY TUESDAY, SEPTEMBER 2, 2014 BY 5:00PM.

5. LIGHTHOUSE FOR CHILDREN PROJECT STATUS REPORT.

Public Comment: None heard.

NO ACTION REQUIRED.

6. PUBLIC COMMENT

Public Comment: None Heard.

NO ACTION REQUIRED.

7. ADJOURNMENT

LIGHTHOUSE FOR CHILDREN, INC.
BOARD MEETING

September 17, 2014 – 12:00 pm

**First 5 Fresno County
550 E. Shaw Ave.
Fresno, CA 93710**

AGENDA ITEM NO.3

TO: Lighthouse for Children Board Members

FROM: Emilia Reyes, Executive Director

SUBJECT: Review and Approve a Contract with Pacific Solar Company, for a Solar Photovoltaic Design-build System, in an Amount not to Exceed \$914,512.

RECOMMENDED ACTION:

Approve a contract with Valley Pacific Builders, Inc. dba Pacific Solar Company, and for reasons stated below, using financing Option 1, to design and build a 214.512 kilowatt (kW) solar photovoltaic system in an amount Not to Exceed \$914,512 and delegate execution authority to Emilia Reyes, Executive Director.

REASON FOR RECOMMENDED ACTION:

Background: During the design and schematic phase of the Lighthouse for Children (LFC) project, the Commission expressed its desire to include photovoltaic solar panels within the available rooftop space to meet building energy efficiency standards and to eliminate as much traditional energy consumption as possible. The LFC facility will use an estimated 380,000 kilowatt hours (kWh) per year. To offset this amount of energy use, an alternative energy system of 214.512 kW would be needed. After the LFC building project went through the value engineering process, additional rooftop space was made available for the possibility of adding enough solar panels to reduce the building energy consumption by approximately 75%.

With the goal, however, of reducing the energy consumption to zero, the LFC building team continued to look for space to install additional panels. Following a Request for Proposal process, staff selected a solar vendor and negotiated a Solar Photovoltaic Design-Build Agreement and Performance Guarantee with Valley Pacific Builders, Inc., dba Pacific Solar Company (Pacific Solar) for the design, construction, monitoring and maintenance of a 214.512 kW system. In its proposal, Pacific Solar suggested constructing a parking structure to add additional panels above eighteen (18) parking stalls. This structure would be included in the cost of the overall system and would allow for the necessary system size of 214.512 kW to increase the energy provided to approximately 100% of the need. The estimated annual energy cost for the first year of occupancy is \$71,775.74. The energy consumption reduction from the proposed Photovoltaic Solar Panel System would cover the majority of the energy cost leaving only a minimal out of pocket expense and the standard PG&E meter charge fees and taxes.

The LFC Board would have three (3) options for financing the solar photovoltaic system. The first two options would be to contract with a qualified partner through a Power Purchase Agreement (PPA), which would enable LFC to take advantage of the federal tax credit that it is not eligible for on its own. Entities without a federal tax liability, such as LFC, often times use third-party system owner arrangements to install solar since a third-party can take advantage of the solar investment tax credit, passing along some savings to the solar system host customer (LFC).

- Option 1, using a prepaid partner funded PPA; the project would be fully funded by the financing partner enabling the LFC to pay a discounted rate of 81% (\$622,680.86) of the total system price (\$768,741.80) for a total savings of \$146,060.94.
- Option 2 would be to enter into a five (5) year prepaid PPA fully funded by the LFC, in cash up front, which enables LFC to still pay the discounted rate of \$622,680.86.
- Option 3 the LFC Board would fully pay for the system in advance at a cash price of \$768,741.80 to own the system outright from day one.

The financial model of each option is described in greater detail below. However, utilizing a PPA partner would provide significant cost savings in the purchase of a solar photovoltaic system that over a twenty five year (25) life span alone would equate to approximately \$1,788,276 in cumulative energy cost savings.

If the contract with Pacific Solar is approved, the solar power system is expected to be operational by January of 2015.

Procurement Procedure and Process: The Request for Proposal (RFP) process was followed per LFC/First 5 procurement, policies and procedures, which are attached. The RFP was released on July 22, 2014 with a proposal submission deadline of August 6, 2014. The RFP was advertised on the First 5 Fresno County website, under the Lighthouse for Children, as well as four Central Valley Builders Exchanges, that included an area from Sacramento County to the north and Kern County to the south. Inquiries were received from as far as the state of Oregon. Three firms requested plans and ultimately only one proposal was received -- Pacific Solar -- by the deadline. Solar Universe, one of the firms that had requested plans, requested that staff accept a submission 5 days after the deadline. As the submission had not been officially delivered, the firm was reminded that the submission deadline date had passed and their submission could not be accepted per the deadline in the RFP.

Staff independently evaluated Pacific Solar as a contract partner. Pacific Solar appears to be one of the most reputable solar design-build firms in Central California, with a 25 year track record including many successful solar projects. Staff received high recommendations from the Fresno Economic Opportunities Commission and Fresno Pacific University administrators about its work. It has recently been chosen as the solar installer for the upcoming Fresno Chaffee Zoo's solar installation.

Staff has reviewed the procurement with legal counsel. Staff has concluded that the procurement was competitive and not a failed bid and that Pacific Solar is a qualified firm to execute a contract for the design, construction and delivery of a turnkey Photovoltaic Solar Panel System.

As part of this procurement, you may take action to execute an agreement with Pacific Solar or reject all bids and re-procure a new system for the building. Staff recommends you execute an agreement with Pacific Solar.

FISCAL IMPACT:

There are three (3) options for financing the solar photovoltaic system:

Option 1: Long-Term Financing: Using a prepaid PPA, the project would be fully funded by the financing partner, Technology Credit Corporation, with no upfront out of pocket cost to LFC and it would enable the LFC to pay a discounted rate of 81% (\$622,680.86) of the \$768,741.80 system price of for a total savings of \$146,060.94, utilizing the federal tax credit. The payment agreement, under the first option, would be a five-year lease agreement to be able to participate in the federal tax credit program. After that time, the remaining seven (7) years of the twelve (12) year term would be transferred to a traditional financing loan at 6.5%. The payment

structure for the twelve year term is shown on the attached Financial Analysis. The total cost of the system with interest would be \$914,512. Payments will be made utilizing the annual energy cost savings each year. In years one through five of the financing term, the energy cost savings would not fully cover the payment cost by a total of \$5,200, as outlined on the attached Financial Analysis. To cover this cost, monies will be allocated from the LFC construction budget line item, Hard Costs, Excess Funds.

Option 2: Short-Term Financing: The second option would be to enter into a five (5) year prepaid PPA funded by the LFC, in cash up front, which would enable LFC to still pay the discounted rate of \$622,680.86, gaining the same discount due to the federal tax credits, but having no yearly payments for the system. LFC would then have to buyout the system at the end of the fifth-year but that amount would only be \$15,374.84 and LFC would own the system free and clear in five (5) years.

Option 3: No Financing: The third option is for the LFC Board to fully pay for the system in advance at a cash price of \$768,741.80 to own the system outright from day one with no financing option.

If funding option number one is approved, the recommended amount, not to exceed \$914,512, will be allocated from the approved Lighthouse for Children Annual Operating Budget, Utilities, Electricity and Gas line item. If either funding options number 2 or 3 are approved, allocations of these funds would be determined by the LFC Board.

FUTURE IMPLICATIONS:

If approved, Pacific Solar Company will work with the staff and the LFC construction team to design and install the Photovoltaic Solar Panel System within the construction phase timeline.

Sunpower SPR-327 NE-WHT-D
214.512 KW System
Current Utility

	Production(k Wh's)	PPA Payment	Energy Cost/(Savings)	Total Cost/(Savings)	Cummulative Cost/(Savings)	Annual Cost	Cummulative Cost
					\$0.00		
Year 1	343508	\$73,854.00	(\$71,871.34)	\$1,982.66	\$1,982.66	\$71,775.74	\$71,775.74
Year 2	342647	\$75,806.00	(\$74,200.40)	\$1,605.60	\$3,588.26	\$74,287.89	\$146,063.63
Year 3	341786	\$77,809.00	(\$76,604.46)	\$1,204.54	\$4,792.81	\$76,887.97	\$222,951.60
Year 4	340925	\$79,866.00	(\$79,085.90)	\$780.10	\$5,572.91	\$79,579.05	\$302,530.64
Year 5	340064	\$81,976.00	(\$81,647.20)	\$328.80	\$5,901.70	\$82,364.31	\$384,894.95
Year 6	339203	\$84,143.00	(\$84,290.92)	(\$147.92)	\$5,753.78	\$85,247.06	\$470,142.02
Year 7	338342	\$84,143.00	(\$87,019.68)	(\$2,876.68)	\$2,877.11	\$88,230.71	\$558,372.72
Year 8	337481	\$84,143.00	(\$89,836.19)	(\$5,693.19)	(\$2,816.09)	\$91,318.78	\$649,691.51
Year 9	336620	\$84,143.00	(\$92,743.26)	(\$8,600.26)	(\$11,416.35)	\$94,514.94	\$744,206.45
Year 10	335759	\$84,143.00	(\$95,743.78)	(\$11,600.78)	(\$23,017.13)	\$97,822.97	\$842,029.42
Year 11	334899	\$84,143.00	(\$98,840.73)	(\$14,697.73)	(\$37,714.86)	\$101,246.77	\$943,276.19
Year 12	334038	\$20,343.00	(\$102,037.17)	(\$81,694.17)	(\$119,409.03)	\$104,790.41	\$1,048,066.59
Year 13	333177		(\$105,336.28)	(\$105,336.28)	(\$224,745.31)	\$108,458.07	\$1,156,524.66
Year 14	332316		(\$108,741.34)	(\$108,741.34)	(\$333,486.65)	\$112,254.10	\$1,268,778.76
Year 15	331455		(\$112,255.71)	(\$112,255.71)	(\$445,742.36)	\$116,183.00	\$1,384,961.76
Year 16	330594		(\$115,882.88)	(\$115,882.88)	(\$561,625.25)	\$120,249.40	\$1,505,211.16
Year 17	329733		(\$119,626.44)	(\$119,626.44)	(\$681,251.69)	\$124,458.13	\$1,629,669.29
Year 18	328872		(\$123,490.10)	(\$123,490.10)	(\$804,741.79)	\$128,814.16	\$1,758,483.45
Year 19	328011		(\$127,477.66)	(\$127,477.66)	(\$932,219.45)	\$133,322.66	\$1,891,806.11
Year 20	327150		(\$131,593.08)	(\$131,593.08)	(\$1,063,812.54)	\$137,988.95	\$2,029,795.07
Year 21	326289		(\$135,840.42)	(\$135,840.42)	(\$1,199,652.96)	\$142,818.57	\$2,172,613.63
Year 22	325428		(\$140,223.88)	(\$140,223.88)	(\$1,339,876.84)	\$147,817.22	\$2,320,430.85
Year 23	324568		(\$144,747.77)	(\$144,747.77)	(\$1,484,624.60)	\$152,990.82	\$2,473,421.67
Year 24	323707		(\$149,416.55)	(\$149,416.55)	(\$1,634,041.16)	\$158,345.50	\$2,631,767.17
Year 25	322846		(\$154,234.84)	(\$154,234.84)	(\$1,788,276.00)	\$163,887.59	\$2,795,654.76
Year 26	321985		(\$159,207.37)	(\$159,207.37)	(\$1,947,483.37)	\$169,623.66	\$2,965,278.41
Year 27	321124		(\$164,339.04)	(\$164,339.04)	(\$2,111,822.41)	\$175,560.48	\$3,140,838.90
Year 28	320263		(\$169,634.90)	(\$169,634.90)	(\$2,281,457.31)	\$181,705.10	\$3,322,544.00
Year 29	319402		(\$175,100.15)	(\$175,100.15)	(\$2,456,557.47)	\$188,064.78	\$3,510,608.78
Year 30	318541		(\$180,740.17)	(\$180,740.17)	(\$2,637,297.64)	\$194,647.05	\$3,705,255.82
Year 31	317680		(\$186,560.49)	(\$186,560.49)	(\$2,823,858.13)	\$201,459.69	\$3,906,715.52
Year 32	316819		(\$192,566.83)	(\$192,566.83)	(\$3,016,424.97)	\$208,510.78	\$4,115,226.30
Year 33	315958		(\$198,765.08)	(\$198,765.08)	(\$3,215,190.04)	\$215,808.66	\$4,331,034.96
Year 34	315097		(\$205,161.31)	(\$205,161.31)	(\$3,420,351.35)	\$223,361.96	\$4,554,396.92
Year 35	314236		(\$211,761.78)	(\$211,761.78)	(\$3,632,113.13)	\$231,179.63	\$4,785,576.55
Year 36	313376		(\$218,572.97)	(\$218,572.97)	(\$3,850,686.10)	\$239,270.92	\$5,024,847.47
Year 37	312515		(\$225,601.53)	(\$225,601.53)	(\$4,076,287.63)	\$247,645.40	\$5,272,492.87
Year 38	311654		(\$232,854.34)	(\$232,854.34)	(\$4,309,141.97)	\$256,312.99	\$5,528,805.86
Year 39	310793		(\$240,338.48)	(\$240,338.48)	(\$4,549,480.45)	\$265,283.94	\$5,794,089.81
Year 40	309932		(\$248,061.27)	(\$248,061.27)	(\$4,797,541.73)	\$274,568.88	\$6,068,658.69
Total		\$914,512.00	(\$5,712,053.73)	(\$4,797,541.73)		\$6,068,658.69	

PPA Payments Are reflected until the end of year 5
 All Payments past year 5 are financing for the buyout

**Children and Families Commission
of Fresno County**



**PROCUREMENT POLICY
AND PROCEDURES MANUAL**

August 2012
(Revised)

The purpose of the Children and Families Commission of Fresno County ("First 5" or the "Commission") Purchasing Policy and Procedures Manual is to document the Commission's policies and procedures related to its purchasing of and/or contracting for goods and services. Fresno County Ordinance **99-009**, Section **2.38.020**, item (E) states "The Commission shall develop purchasing and contracting policies and procedures consistent with applicable Federal and State laws and regulations." First 5 Fresno County is required by law to abide by section *130140(d)(4)(B)* of the Health and Safety Code, which requires county commissions to adopt, in a public hearing, contracting and procurement policies consistent with State law. This includes, but is not limited to, Government Code sections *54201-54205*, Public Contract Code sections *2000-2002, 3410* and *22150-22154*, and California Labor Code section *1771, et seq.*

1. Public Works Projects

In the event that the Commission desires to enter into a Public Works Contract, as defined in Public Contract Code section 1101, the Commission shall comply with those provisions described in Article 3.5 of the Public Contract Code (§20120 *et. seq.*), except that the Commission shall be the final decision-maker with respect to all Public Works Contracts.

2. Informal and Formal Competitive Purchases

A. Thresholds

Purchases for goods and services for the operations of the Commission are authorized by the Executive Director and/or the Commission. The competitive procurement process shall be used to acquire goods and services based upon the following dollar thresholds.

<u>For Purchases</u>	<u>Type of Procurement</u>	<u>Required # of Proposals/Quotes</u>
\$3,000.01 to \$50,000.00	Informal	Three (3)
\$50,000.01 and greater	Formal	No Minimum

*Purchases \$3,000.00 or less are considered routine (day to day) and do not require bids. These purchases can be made by using a First 5 credit card with the Executive Director's approval or a revised payment authorization form.

B. Informal Selection Process:

The informal selection process allows First 5 staff to obtain a written price and scope of work via fax, e-mail, or other writing by at least three (3) vendors. First 5 shall select the vendor that best fits the Commission's needs, using price, quality and the ability to provide deliverables within the Commission's timeframe as the primary factors. If First 5 is unable to obtain at least three (3) written quotations, First 5 shall document this fact and provide as much available information regarding why it could not obtain this number. First 5 reserves the right to use a formal procurement process for purchases \$50,000.00 or less, especially if there is uncertainty about the types of goods or services the Commission is seeking to obtain. The Executive Director and a Commission officer shall have authority to execute contracts obtained by informal selection procedures without Commission approval.

C. Formal Procurement Process

For formal procurements, the Commission will use Request for Proposals, Request for Application, Request for Qualifications, or Request for Quotation, as best determined by the Commission or staff. All contracts entered into as a result of a formalized procurement process, which are greater than \$50,000.00, shall be approved by the Commission before they are executed by the Executive Director and a Commission officer.

1. The Request for Proposal or RFP is used when the Commission cannot precisely set forth its needs. Rather than including specifications, the Commission shall provide vendors a statement of work and the vendors are then asked to propose solutions. The RFP will detail what items the vendors are to submit, the cost of their proposals, how the Commission will evaluate the proposals, select the vendor, and develop the contract. The RFP award is not always based upon the lowest price, but upon technical superiority of the proposal within a reasonable proximity to the other proposals submitted to the Commission. Proposals in response to an RFP are subject to negotiation after they have been submitted to First 5.
2. The Request for Qualifications or RFQ is also used when the Commission cannot precisely set forth its needs. The RFQ shall contain all items contained in the RFP except that vendors may not be asked to include the precise cost of their proposals. Rather, vendors may give their general hourly rates or services charges, but shall detail their experiences in the area requested by the Commission. The Commission shall determine whether or not the vendor meets the required qualifications. Proposals in response to an RFQ are subject to negotiation after they have been submitted to First 5.
3. The Request for Application or RFA is a formal announcement by the Commission of an opportunity to apply for funds with specific strategies and parameters in order to achieve the Commission's strategic goals and outcomes. An RFA contains specific requirements regarding the application and evaluation processes, and how such funds shall be used. Proposals in response to an RFA are subject to negotiation after they have been submitted to First 5.
4. The Request for Quotation is used when the Commission has precisely determined precisely what goods and services it needs. Similar to an RFP or an RFQ, a Request for Quotation award is not necessarily based upon the lowest price, but upon a service or good that best fits the requirements within a reasonable proximity to the other proposals submitted to the Commission. Request for Quotations are typically not negotiable.
5. Letter of Intent or LOI is used when the Commission may seek to enter into a future contractual relationship with another party. The LOI is a letter from the Commission to another party acknowledging a willingness and ability to enter into a contractual relationship. An LOI is not a contract and cannot be enforced. Rather, it is a document stating that there is a serious intent to carry out certain contractual activities.

3. Public Notice

It is the Commission's policy to provide notice to the public of all formal procurement opportunities. Such notices shall be posted publicly to ensure competition. Public notice will be on the First 5 Website and/or in a newspaper/periodical of general circulation and published no less than ten (10) days prior to the procurement time and due date. In lieu of public notice, the Commission may opt to create and maintain a vendor list for specific professional services.

4. Time and Due Date

The amount of time proposers may prepare their responses to formal procurement opportunities shall be determined by the Commission but, if practicable, shall be no less than ten (10) calendar days after release of RFP/RFA/RFQ and shall provide sufficient time for proposers to prepare and submit their proposals. The Commission reserves the right to amend the proposal due date. Such changes shall be issued in writing in the form of an addendum to all prospective proposers who received the original request documents or posted on the website.

5. Addendum of Procurement Opportunities

The Commission reserves the right to amend any RFP/RFA/RFQ. The Commission shall make a reasonable effort to provide all vendors who received an RFP/RFA/RFQ with written notice of such action. Any oral interpretations of contract specifications by any commissioner or staff to the vendor regarding terms or conditions shall not be binding on the Commission.

6. Mistakes in Proposals Prior to Opening of Proposals

Mistakes in proposals detected prior to opening may be corrected by the proposer by withdrawing the original and submitting a corrected proposal to the Commission before the due date. If there is insufficient time prior to the due date and time to withdraw the original and submit a corrected proposal, the proposer or an authorized representative may correct the mistake on the face of the original proposal, provided that such revision occurs prior to the due date and time. A corrected proposal must be time-stamped upon re-submission. The Commission will not accept corrections to proposals after the proposal time and due date.

7. RFQ/RFA/RFP Acceptance, Review, and Selection

Proposals shall be accepted without alteration or correction, except as authorized in this policy, and shall be evaluated based upon the requirements set forth in the RFP/RFA/RFQ, which may include certain criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the proposal's price and be considered in evaluation for award, shall be objectively measurable, such as discounts, transportation costs and total or life cycle costs.

First 5 shall assign a staff person to facilitate the creation of a selection committee and/or process to review the proposals. The contract file shall contain a written explanation of the selection decision.

The Executive Director, or his or her designee, shall make a final recommendation to the Commission based on the results of the committee. The Executive Director, or his or her designee, shall notify all proposers of his recommendation no less than ten (10) days before the Commission finally approves the award. Final approval of the award shall be made by the Commission.

All contracts and purchases shall be based strictly upon the face value of the proposals received. The Commission shall not factor in to its procurement selection any hidden rebates, discounts, and other price considerations not described in the proposals.

A grant award letter shall be issued to the selected vendor, specifying the amount awarded and indicating that funds will be released upon compliance of a signed contract establishing the terms and conditions of all parties. Non-selected vendors shall receive written notice of the Commission's action.

8. Notice of Cancellation or Rejection of Proposals

The Commission may, at its discretion, cancel or reject any or all proposals. In the event of such a cancellation or rejection, all proposers shall be notified in writing as soon as possible and the reason(s) shall be documented in the procurement file.

9. Determination of Non-Responsiveness

Failure of a proposer to promptly supply information requested by First 5 may be grounds for the Commission to determine that the proposer is non-responsive, in which case the proposal may be rejected.

10. Disclosure of Results

After the award by the Commission, all proposals received by the Commission shall be open to public inspection at the offices of the Commission during normal business hours. The Commission assumes no responsibility for the confidentiality of information provided in the proposals.

11. Protests

Upon notice by First 5 of an award, any proposer may file a written protest regarding a potential procurement by the Commission. The protest shall be filed with the Executive Director no later than forty-eight (48) hours before the day of the meeting at which the Commission is scheduled to award the subject contract. The protest shall be in writing addressed to the Executive Director and contain the exact basis for the protest, and proof that the protester is a viable and responsible provider of the supplies, equipment or services sought and filed with the Executive Director. The protest should provide evidence that the award violated First 5's procurement procedures or State law. Mere disagreement with the Commission or Executive Director's decision shall not be the basis for a successful protest.

12. Delegation of Contracting Authority

Subject to any State or First 5 procurement statute or policy, the Commission may take action to delegate its contracting authority to its Chair, any standing or *ad hoc* committee of the Commission, or the Executive Director.

13. Exceptions to a Competitive Selection Process

All goods and services shall be procured by an informal or formal competitive selection process unless the Commission or Executive Director determines that one of the circumstances described below is satisfied. The Commission shall document in writing the justification for using such an exception.

A. Sole Source Procurement: The Commission may procure materials or services that are available from only one source. In order for the Commission to justify a sole source procurement, one or more of the following factors must be present:

(1) The vendor capabilities and experiences are so unique (including the vendor's possession of patents or trademarked materials) that no other vendor may comparably meet the Commission's needs;

(2) Only one product is available to reasonably meet the Commission's needs; and

(3) Only one vendor has the ability to provide goods or services to the Commission within the Commission's required time frame.

B. Emergency: Emergency purchases may be made by the Executive Director when the materials or services so purchased are necessary for the preservation of life or property. Such emergency purchases shall be submitted to the Commission for ratification at its next meeting.

C. State or County Vendors: First 5 may use a vendor under a leveraged purchase agreement without a competitive selection process if the leveraged purchase agreement itself was procured via a competitive selection and the vendor accepts the same terms as those contained in the leveraged purchase agreement.

D. Intent to Partner (ITP): The Commission may select certain service providers by engaging in community-based planning efforts in which stakeholders come together for the purpose of identifying specific needs and the providers best able to meet those needs. If this method of selecting sole-source providers is used, the dates and times of these meetings should be advertised well in advance and all potential providers must be invited to participate. Funds should not be awarded during these meetings. The natural bias toward competitive procurement should apply and any exceptions should adhere to the guidelines outlined in this procedure.