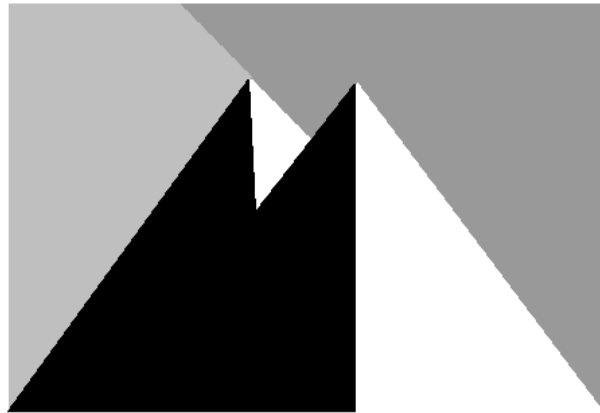


**MARICOPA COUNTY SPECIAL HEALTH
CARE DISTRICT**


PROCUREMENT CODE



**MARICOPA
INTEGRATED
HEALTH SYSTEM**

Count on us to care.

Effective: June 28, 2017

 <p>MARICOPA INTEGRATED HEALTH SYSTEM</p> <p><i>Count on us to care.</i></p>	<p>MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT PROCUREMENT CODE</p>	DEPARTMENT OF MATERIALS MANAGEMENT	
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HS-101 DEFINITIONS

In this Code, unless the context otherwise requires, capitalized terms used herein shall be defined as follows:


1. “ADVANTAGEOUS” means in the best interests of the District as solely determined by the Director except as otherwise specified in this Code.
2. “A/E CONSULTANT SERVICES” means services of an architect, engineer, land surveyor, hydrologist, geologist, appraiser, archeologist, assayer, landscape architect, or other related professional whose services are required to provide planning, design, or construction management support for the District.
3. “AFFILIATE” means any person whose governing instruments require it to be bound by the decision of another person or whose governing board includes enough voting representatives of the other person to cause or prevent action, whether or not the power is exercised. It may also include persons doing business under a variety of names, or titles, or where there is a parent-subsiary relationship between Persons.
4. “AWARD” means the final execution of a Contract by the District representative as authorized by the District Board of Directors, or pursuant to this Code.
5. “BID” means an Offer to perform a Contract for work and labor or supplying Materials as specified.
6. “BID BOND” means a form of security, which indemnifies the District against a successful bidder’s failure to execute the contract documents and proceed with performance.
7. “BOND” means a form of security required by the District in compliance with the Arizona Revised Statutes which indemnifies the District.
8. “BRAND NAME OR EQUAL SPECIFICATION” means a Specification that uses one or more manufacturers’ names or catalog numbers to describe the standard of quality, performance, and other characteristics needed to meet the District requirements, and that provides for the submission of equivalent products.
9. “CHANGE ORDER” means a written change to the Contract documents and agreed to by the District’s authorized contracting officer or Procurement Officer, Contractor, Architect or vendor. It may change the Contract(s) terms, including the Contract(s) sum, time of performance, quantity, or degree of services contemplated in the original Contract’s intent.

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10. "CLARIFICATION" means written or oral communication with a Respondent, including demonstrations or questions and answers, for the sole purpose of information gathering or of eliminating Minor Informalities or correcting nonjudgmental mistakes in a Bid or Proposal. Clarification does not otherwise afford the Respondent the opportunity to alter or change its Bid or Proposal.
11. "CODE" means the District Procurement Code.
12. "COMPETITIVE SEALED BIDDING" means the procurement process set forth in HS-325 through HS-326.
13. "COMPETITIVE SEALED PROPOSALS" means the Solicitation process set forth in HS-320 through HS-323.
14. "COMPLIANCE" (or Compliance Program) means the District program that is designed to prevent, detect, and resolve violations of law or the District policy by the District employees, vendors, Contractors, agents, and professional staff.
15. "CONSTRUCTION" means a process of improving, altering, remodeling, or demolishing of any MIHS owned or operated structure, building or public improvement of any kind. "Construction" does not include the routine operation, routine repair or routine maintenance of existing MIHS owned or operated structures, buildings or public improvement, or demolition projects that is less than \$250,000.
16. "CONTRACT" means all properly executed agreements, and any amendments, attachments, exhibits and addendum related thereto, regardless of what they may be called, for the Procurement of Materials, Services, Construction or the disposal of materials.
17. "CONTRACT AMENDMENT" means any written alteration in the terms and conditions of any Contract accomplished by mutual action of the parties to the Contract.
18. "CONTRACTOR" means any Person who has a Contract with the District.
19. "COOPERATIVE PURCHASING" means a Procurement conducted by, or on behalf of, more than one governmental entity.
20. "DAYS" means calendar Days and shall be computed pursuant to A.R.S. §1-243.
21. "DESIGN SPECIFICATION" means a Specification that sets forth physical characteristics in definitive terms.

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22. "DIRECTOR" means the District Director of Procurement & Contracts.
23. "INFORMATION SYSTEMS" means a system of hardware, software or related support that process information, data or processing methods and devices.
24. "INVITATION FOR BIDS", means, except for Construction, all documents including detailed scope of work and/or technical Specifications whether attached or incorporated by reference, which are used for soliciting bids in accordance with the procedures prescribed in Section HS-326.
25. "LETTER OF INTEREST (LOI)" means information submitted in response to a public advertisement and used by the District to identify firms for further Procurement consideration.
26. "LIFE CYCLE" means the useful life of the material, equipment or systems to the District to perform the application for which it was initially procured.
27. "MINOR INFORMALITY" means mistakes or omissions, excluding judgmental errors, that have negligible effect on price, quantity, quality, delivery, or other contractual terms and the waiver or correction of such mistake does not prejudice the District or other Respondents.
28. "NEGOTIATIONS" means an exchange of information or any form of communication during which the Respondent and the District may alter or otherwise change the conditions, terms, and Price, unless prohibited, of the proposed Contract. Negotiations may be conducted in connection with Competitive Sealed Proposals, Review of Qualifications, small purchases, sole source Procurements, emergency Procurements, and special Procurements of Contract amendments.
29. "NOTICE TO PROCEED" means a letter from the District authorizing the Contractor to start the work specified in the Contract.
30. "OFFER" means a Proposal of terms, either solicited or unsolicited, made with the purpose of securing or modifying a Contract.
31. "PAYMENT BOND" means a form of security required to be provided by a Contractor for the protection of those supplying labor and/or Materials to the Contractor or their subcontractors.
32. "PERFORMANCE BOND" means a form of security as provided by a Contractor in favor of the District that secures the Contractor's obligation to properly complete their work in accordance with the Contract.


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33. "PERFORMANCE SPECIFICATION" means a Specification that sets forth a predefined criteria or objective to be met.
34. "PERSON" means any corporation, business, individual, union, committee, club, other organization or group of individuals.
35. "PROCUREMENT" means buying, purchasing, renting, leasing or otherwise acquiring any information, materials, Services or Construction. Procurement also includes all functions that pertain to the obtaining of any material, Service, or Construction, including description of requirements, selection and Solicitation of sources, preparation and Award of Contract, and all phases of Contract administration.
36. "PROCUREMENT OFFICER" means any Person duly authorized by the Director unless otherwise specified in Article 5 to engage in specific Procurement activity acting within the limits of authority under this Code.
37. "PROFESSIONAL SERVICES" means services approved within this Code or by the Director which require the application of specialized or advanced training, experience, skills or qualifications in a given field of science or learning that has been generally accepted as a profession.
38. "PROPOSAL" means a written Offer, solicited or unsolicited, for consideration as a basis for awarding or modifying a Contract.
39. "PURCHASE ORDER" means a document, electronic transmission, or verbal request, whereby the District specifies a need, and may include, but is not limited to, the description of the requested item, delivery schedule, transportation data, criteria for evaluation, suggested sources of supply, and information supplied for the making of any written determination required by this Code.
40. "REQUEST FOR INFORMATION" means a formal process used to gather information from any Person(s), which may or may not be used in a future Solicitation.
41. "REQUEST FOR PROPOSAL" means the Solicitation issued in accordance with in HS-320 through HS-323.
42. "REQUEST FOR QUOTATION" means an informal Solicitation used to obtain written or verbal responses without formal advertising in accordance with HS-327.
43. "RESIDUAL VALUE" means the minimum value offered by the Respondent at the end of the

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Life Cycle of the material, equipment or systems being procured.

44. "RESPONDENT" means one or more Person(s) who respond to a Bid, Proposal, Solicitation, Offer, or any other invitation or request that the District invites a Person to participate.
45. "RESPONSE" means information submitted in response to a Solicitation.
46. "RESPONSIBLE BIDDER OR PROPOSER" means a Respondent who has the capability to perform the Contract requirements and the integrity and reliability, which will assure good faith performance.
47. "RESPONSIVE BIDDER OR PROPOSER" means a Respondent who submits a response to a Solicitation, which conforms to the Solicitation in all material respects.
48. "RETAIL OUTLET" means a location designated by the Director at a particular time and place for the disposition of property through direct retail sale.
49. "REVIEW OF QUALIFICATIONS" means the Solicitation procedure set forth in HS-324.
50. "SERVICES" means the furnishing of labor, time or effort by a Contractor, which may not involve the delivery of a specific end product other than required reports and performance.
51. "SOLICITATION" means an Invitation For Bids, a Request For Proposals, a Request For Quotations, a Review for Qualifications, multi-step sealed Bids, or any other invitation or request by which the District invites a Person to participate in a Procurement.
52. "SPECIFICATION" means any description of the physical or functional characteristics, or of the nature of a material, service or Construction item. Specification may include a description of any requirement for inspecting, testing, or preparing
53. "SURPLUS MATERIALS" means any materials, equipment or physical assets that no longer have any use to the district, and includes obsolete, scrap and excess materials.
54. "SUSPENSION" means an action taken under Article 7 of this Code.
55. "TOTAL COUNTY COST" means costs to the District for Materials, equipment or systems. Costs which may be included are maintenance costs, present value of monies, Vendor Charges, energy, facilities, personnel, finance costs or other identifiable the District costs.
56. "TOTAL LIFE CYCLE COST" means Vendor Charges, Total County Costs and financing costs throughout the Life Cycle of the Materials, equipment or systems being purchased less

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any applicable Residual Value.

57. "UNIT PRICE" means a price under which the Contractor is paid a price for the selected unit for goods or service (e.g. pound, ton, hours, visits, per diems).
58. "WRITTEN DETERMINATION" means a written decision resolving a question or controversy, or finalizing a position within the limits of authority under this Code.


HS-102 APPLICABILITY

A. This Code applies to:

1. Every expenditure of public monies, including federal assistance monies, except as otherwise specified in Article 8, by the District.
2. The inventory and disposal of the district excess & Surplus Materials.

B. This Code does not apply to:

1. Contracts between the District and other political subdivisions, Cooperative Purchasing agreements with other governmental entities or other governments, except as provided in Article 8 of this Code.
2. The District compliance with the terms and conditions of a grant, gift, or bequest which include Subcontracts obtained in order to fulfill requirements of a grant, gift or bequest.
3. Professional association memberships and medical research projects.
4. The acquisition of human/synthetic blood, tissue, bone marrow, human organs, or other body parts.
5. Contracts for professional witnesses or experts if the purpose of such Contract is to provide testimony or advice relating to an existing or probable litigation in which the District is or may become a party or for contracts of special investigative Services.
6. Contracts needed to meet healthcare Compliance requirements and programs.
7. Purchase of real property.
8. Agreements negotiated by District Counsel representing the District in settlement of existing or probable litigation or any other legal matter involving District business

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operations.

9. Contracts with Educational Institutions (financial & non-financial)

10. Travel and travel related services, such as airline tickets, automobile rental, and hotel/motel accommodations, which shall be procured using the internet to obtain the lowest available fare/rate meeting the District requirements.

C. Revenue Contracts, risk sharing Contracts, and Professional Services Contracts shall be procured using sound business judgment.

D. Notwithstanding any other provision of this Code, when Compliance with the Code is impracticable, unnecessary, or contrary to the public interest the District may adopt a written alternative means of Procurement that is as competitive as is practicable using sound business judgment.

1. Contracts procured under this Section shall be approved by the MIHS President & Chief Executive Officer or the Board of Directors if required.

E. Procurement procedures may be waived by the Director if one of the following applies:

1. To meet legal or regulatory mandates of a contract. (Example: AHCCCS Special Provisions and sub-contract requirements)

2. Existing providers where continuity of care is a primary consideration and reasonable market rates are in effect.

3. Disruption of medically necessary services is a primary consideration and reasonable market rates are in effect.


HS-103 WRITTEN DETERMINATIONS

A. Each Written Determination shall specify the reasons for the determination.

B. Each Written Determination shall be filed in the applicable Solicitation or Contract file, and the timing of such filing shall be determined by the Procurement Officer.

HS-104 CONFIDENTIAL OR PROPRIETARY INFORMATION

A. To the extent permitted by law, all the District confidential or proprietary information, owned or possessed by the District will not be disclosed.

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- B. If a Respondent believes that a Response or protest contains trade secrets or other proprietary information that should be withheld from public disclosure, a detailed statement advising the Procurement Officer that explains and supports Respondent's claim.
- C. The Procurement Officer shall decide within a reasonable time, whether the Respondent's claim shall be honored, modified, or rejected and notify the Respondent in writing.

HS-105 CONTRACTING REQUIREMENTS


- A. Payment for any materials or Services shall not be made unless pursuant to a written Contract or Purchase Order procured under this Code.
- B. A Procurement Officer shall not incur an obligation on behalf of the District if sufficient funds are not available.

HS-106 OPTION PROVISIONS

- A. Unless otherwise prohibited by law, a Contract may be entered into for a period of time up to five (5) years unless it is determined in writing that a longer term is in the best interest of the District using sound business judgment. The determination and approval shall be consistent with the current Authorization and Responsibility Matrix as approved by the Board of Directors.
- B. Before exercising any option for renewal, extension, or purchase the Director shall determine that a new Solicitation is not more advantageous to the District than the exercise of the particular option.
- C. The Director shall have the authority to exercise any option for renewal, extension, or purchase that does not extend the contract time beyond the cumulative total of five (5) years and which are consistent with the current Authorization and Responsibility Matrix as approved by the Board of Directors.
- D. The authority to extend Contracts with existing Contractors beyond the term of five (5) years based on continuity of care and or the need to avoid disruption of medically necessary services is a primary consideration and if exercised, shall be done consistent with the current Authorization and Responsibility Matrix as approved by the Board of Directors
- E. Notwithstanding any other provision within this section, only those contracts that have been procured via a formal solicitation, e.g., Request For Proposal (RFP), Request For Quotes/Qualifications (RFQ), Review of Qualifications (ROQ), Invitation For Bids (IFB) shall

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be subject to the requirements of this section.

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HS-201

AUTHORITY OF THE DIRECTOR

- A. Unless specifically delegated by the Board of Directors directly or via the Authorization and Responsibility Matrix, or as authorized by this Code, all Contracts must be approved by the Board of Directors.
- B. The Director may adopt policies and procedures, consistent with this Code and state statutes, governing the Procurement and management of all materials and Services procured by the District and the inventory and disposal of materials.
- C. The Director shall serve as the Chief Procurement Officer/Purchasing Agent for the District.
- D. It shall be the Director or designee's responsibility to perform, supervise, or delegate the following:
 - 1. Procurement of materials, supplies, equipment and contractual Services;
 - 2. Prepare and issue Solicitations and ensure that the selection process is in compliance with this Code, including appointing Procurement committees.
 - 3. Issue Purchase Orders and Contracts for materials, supplies, Services and equipment;
 - 4. Render decisions on vendor disputes;
 - 5. Procurement & contracting administration;
 - 6. Perform any other assigned duties as set forth in this code.
- E. Consistent with the current Authorization and Responsibility Matrix as approved by the Board of Directors, the Director shall have the authority to Award Contracts with aggregate annual dollar amounts up to fifty thousand (\$50,000) and Contract terms up to five (5) years from the effective date of the Contract. Procurement requirements shall not be artificially divided or fragmented to circumvent source selection procedures required by this Code. Contracts approved pursuant to this section shall be confined to budgeted expenses.
- F. The Director shall have the authority to Award and execute all non-capital Group Purchasing Organization ("GPO") Supplier Sub-Contracts that also involve reduction in price or expansion of scope of work with estimated incremental up to \$250,000 and exercise all provisions, rights, and remedies of the District Contracts available through any GPO previously competitively solicited and Awarded by the Maricopa County Special Health Care District Board of Directors.

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- G. The Director shall have the authority to exercise all contractual provisions, rights and remedies of approved Contracts. Nothing in this paragraph shall be construed as requiring the Director to exercise any provision or right in any Contract.


HS-202 DELEGATED AUTHORITY

- A. The President and Chief Executive Officer shall have the authority to Award Contracts with aggregate annual dollar amounts up to **five hundred thousand dollars (\$500,000)** and Contract terms up to five (5) years from the effective date of the Contract. Procurement requirements shall not be artificially divided or fragmented to circumvent source selection procedures required by this Code. Contracts approved pursuant to this section shall be confined to budgeted expenses.

HS-203 PROFESSIONAL SERVICES

- A. The Director shall have the authority to determine what services can be classified as Professional Services for Procurement in Article 3.
- B. For purposes of this Code, the list of Professional Services is as follows unless otherwise determined by the Director:

- | | | |
|--|--------------------------|-----------------------------|
| - Appraisers | - Archaeologists | - Architects |
| - Assayers | - Audiologists | - Certified Public Accounts |
| - Chiropractors | - Clergy | - CRNA's |
| - Dentists | - Dental Assistants | - Dispensing Opticians |
| - Engineers | - Geologists | - Hydrologist |
| - Landscape Architects | - Laboratory Technicians | - Lobbyist |
| - Naturopaths | - Nurses | - Occupational Therapists |
| - Optometrists | - Physical Therapists | - Physicians |
| - Physician's Assistants | - Pharmacist | - Podiatrists |
| - Psychologist | - Radiology Technicians | - Respiratory Therapists |
| - Speech Therapists | - Teachers | - Veterinarians |
| - Healthcare Strategic Planning Consultants | | - District Treasurer |
| - Health Care service facilities or other healthcare providers that provide a combination of professional and/or para-Professional Services. | | |

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HS-300 APPLICABILITY


Article 3 of the Maricopa County Special Health Care District Procurement Code applies to Procurements and contracting activities associated with the Solicitation of all Services and materials for Maricopa County Special Health Care District, which are not an integrated part of the design, Construction, reconstruction and remodel of Maricopa County Special Health Care District facilities, which fall under Article 5, unless specifically referenced in Article 5.

HS-301 AUTHORITY TO USE PROCUREMENT METHODS

- A. Selection of the procurement method for any Contract will be based upon that which is most appropriate, efficient or Advantageous to Maricopa County Special Health Care District.
- B. The following Procurement types may be used by the Procurement Officer:
 - 1. Request for Proposal(RFP)
 - 2. Review of Qualifications (ROQ)
 - 3. Request for Quotations (RFQ)
 - 4. Invitation for Bids (IFB)
 - 5. Multi-Step Sealed Bid (Two-Step)
- C. Any other type of Procurement may be used if the Director determines prior to Solicitation that the use of that Procurement type is permitted by law and is Advantageous to Maricopa County Special Health Care District.

HS-302 PUBLIC NOTICE ISSUANCE

- A. With exception of Article 5 procurements, notices of Solicitation shall be advertised within any applicable public advertisement including newspaper, internet, and appropriate means using sound business judgment.
- B. The advertisement shall state where Responses will be delivered, the date they must be received and the date and time they are to be opened.
- C. Solicitations shall be issued in sufficient time before the date and time set for Response opening to permit free competition.

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HS-303 CONTENT OF SOLICITATIONS


- A. The Solicitation shall include the following Content:
1. Instructions and information to Respondents concerning the submission requirements, including the time and date set for opening, the address of the office to which submissions are to be received, the period that the Solicitation shall remain open, and any other special information;
 2. The description of services or goods, Specifications, criteria to determine Responsiveness, evaluation criteria, delivery or performance schedule, and inspection and acceptance requirements;
 3. The Contract terms and conditions, including warranty and bonding or other security requirements, as applicable; and
 4. Contract duration.
 5. If the Solicitation incorporates documents by reference, it shall specify where such documents may be obtained.
- B. The Solicitation shall require the acknowledgment by the Respondent of the receipt of all addenda issued as part of their Response.

HS-304 SOLICITATION CONFERENCES

- A. A Procurement Officer may conduct a Solicitation conference within a reasonable time prior to the submission date, to explain the Procurement requirements.
- B. Statements made at the conference shall not be considered an addendum to the Solicitation unless a written addendum, including those clarifications or changes, is issued pursuant to HS-305.

HS-305 ADDENDA TO SOLICITATIONS

- A. An addendum to a Solicitation shall be issued if necessary to:
1. Make changes in the Solicitation
 2. Correct defects or ambiguities

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3. Furnish to other Respondents information given to one Respondent, if the information will assist the other Respondents in submitting Responses or if the lack of the information will prejudice the other Respondents.
- B. The addendum shall require that the Respondent acknowledge receipt of the addendum in their Response.
 - D. Addenda shall be issued within a reasonable time before Response opening to allow prospective Respondents to consider them in preparing their Responses. If the time and date set for opening does not permit sufficient time for Response preparation, the time and date for Response opening shall be extended in the addendum or, if necessary, by facsimile, telephone, or e-mail and confirmed in the addendum.


HS-306 SOLICITATION PROHIBITIONS

Any Offer or Proposal that is conditioned upon Award of another Maricopa County Special Health Care District Contract may be deemed non-responsive or unacceptable.

HS-307 UNSOLICITED PROPOSAL

Notwithstanding any other provision of this code, if the Director determines that it is Advantageous, based on sound business judgment, a Contract may be Awarded based on an unsolicited Proposal if it is determined in writing that the conditions set forth below are met. The determination shall document all of the following:

1. The Proposal is innovative and unique.
2. The subject of the Proposal is not available without restriction from another source and does not closely resemble a similar product or service which is either available or pending in the industry.
3. The Maricopa County Special Health Care District Using Department has sufficiently supported the Proposal's recommendations with facts and circumstances that preclude competition.
4. The Procurement Officer has approved in writing the Award of a Contract based on the unsolicited Proposal.
5. The Contract shall be approved by the Board of Directors.

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HS-308 BID BONDS AND PERFORMANCE BONDS FOR MATERIAL OR SERVICE CONTRACTS


- A. Bid Bonds, Performance Bonds, Payment Bonds, or other security may be required for Material or Service Contracts if the Procurement Officer determines that such requirement is Advantageous to Maricopa County Special Health Care District. The requirement for any such Bond shall be included in the Solicitation.
- B. If a Bid or Proposal is withdrawn at any time before opening, any security shall be returned to the Respondent.
- C. Construction Contract security shall comply with the requirements of Article 5 of this Code.

HS-309 PRE-OPENING MODIFICATION OR WITHDRAWAL OF RESPONSES

- A. A Respondent may modify or withdraw their Response at any time before the date and time set for opening.
- B. The time and date of a withdrawal of a Response shall be documented in the appropriate Procurement file.

HS-310 CANCELLATION OF SOLICITATIONS OR REJECTIONS OF RESPONSES

- A. Any Solicitation may be canceled, or any Response may be rejected in whole or in part, if it is Advantageous to Maricopa County Special Health Care District.
- B. If a Solicitation is canceled before the date and time that Responses are due, notice of cancellation shall be sent to all Persons to whom the Procurement Officer distributed a Solicitation. Responses received shall be returned unopened.
- C. Any Responses received under the canceled Solicitation shall be retained in the Procurement file if Maricopa County Special Health Care District intends to issue another Solicitation within a reasonable time after cancellation for the same materials, Services or Construction. Maricopa County Special Health Care District shall withhold from public inspection Responses submitted under the canceled Solicitation if the Procurement Officer makes a Written Determination that such action is Advantageous to Maricopa County Special Health Care District. After Award of a Contract under a subsequent Solicitation, Responses submitted in response to the canceled Solicitation shall be open for public inspection unless non-disclosure is required under HS-104.


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HS-311 RECEIPT, OPENING, AND RECORDING OF RESPONSES

- A. Responses shall be unconditionally accepted without alteration or correction, except as authorized in this Code.
- B. Each Response and modification shall be time-stamped upon receipt and stored unopened in a secure place until the time and date set for Response opening.
- C. An envelope that is not marked as a Response to a Solicitation or does not identify the Respondent or Solicitation may be opened solely for the purpose of identification. A record shall be made on the envelope of the reason for opening it, the date and time it was opened, the Solicitation to which the Response was submitted and the signature of the person who opened the envelope. The envelope shall be resealed, relabeled, and retained in the Procurement file.
- C. Responses and addenda shall be opened publicly at the time, date and location as designated in the Solicitation. The name of each Respondent shall be read aloud and logged after opening. At the opening of Bids, price will be announced.
- D. The Responses shall be deemed confidential and not be opened for public inspection until after a Contract has been Awarded. After Contract Award, the Responses shall be available for public inspection, except as permitted or required by law or described as confidential pursuant to HS-104.
- E. A review to ascertain whether a response is responsive will be conducted and a determination made by the Procurement Officer.

HS-312 LATE RESPONSES, LATE WITHDRAWALS, AND LATE MODIFICATIONS

- A. A Response, modification, addenda or withdrawal is late if it is received at the location designated in the Solicitation for receipt of Response after the date and time set for opening.
- B. A late Response, late modification, late addenda or late withdrawal shall be rejected and returned to the Respondent unopened.
- C. Respondents submitting a Response, modifications, addenda or withdrawal that are rejected as late shall be so notified as soon as practicable.


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HS-313 RESPONSE EVALUATION

- A. Responses shall be evaluated based on the criteria set forth in the Solicitation.
- B. No criteria may be used in evaluations that are not set forth in the Solicitation or this code.
- C. Clarifications may be requested from any Respondent.
- D. Responses and modifications shall be shown only to Maricopa County Special Health Care personnel or designated contractors having a legitimate interest in them or persons assisting Maricopa County Special Health Care District in evaluation.

HS-314 MISTAKES IN RESPONSES

- A. After opening, a Response containing a mistake based on an error in judgment may not be corrected or withdrawn. A Response may be corrected or withdrawn pursuant to Subsection F or G of this section.
- B. After opening, the Procurement Officer may waive Minor Informalities in a Response if Advantageous to Maricopa County Special Health Care District and if the Procurement Officer requires the information to be submitted in a limited period of time.
- C. After opening, the Director may permit a Respondent to correct or withdraw a Response without penalty if a mistake is clearly evident.
- D. After opening, the Response shall be corrected to the intended Response if a mistake, and the intended correction are evident on the face of the response.
- E. Mistakes shall not be corrected after Award of the Contract.
- F. Decisions to permit the correction or withdrawal of erroneous Responses, or to cancel Awards or Contracts based on Respondent mistakes, shall be documented in the Procurement File.
- G. If a request to correct or withdraw a Response after opening is denied under this section, a Written Determination shall be placed in the procurement file.

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HS-315 EXTENSION OF ACCEPTANCE TIME

After receipt of Responses, if the Procurement Officer determines that a Contract cannot be Awarded within the time limits stated in the Solicitation, a written extension of the Offer may be requested from the Respondent to allow additional time to Award the Contract.

HS-316 CONTRACT NEGOTIATIONS

After the Respondent who is determined to be most Advantageous to Maricopa County Special Health Care District has been selected through the procurement process, negotiations may be conducted for the purpose of developing a recommended Contract for Award. Negotiations shall not be permitted in an Invitation for Bid (IFB) Procurement. If multiple Contracts will be awarded, negotiations with more that one Respondent may occur simultaneously.

HS-317 CONTRACT AWARD


- A. A record showing the basis for determining the successful Respondent shall be retained in the Procurement file.
- B. The Procurement Officer shall recommend Award of a Contract to the Respondent(s) whose Response(s) is documented to be most Advantageous to Maricopa County Special Health Care District based on the evaluation criteria set forth in the Solicitation.
- C. A written notice of Award shall be sent to the successful Respondent(s) and shall be made available to the public.

HS-318 ONLY ONE RESPONSE RECEIVED

If only one Response is received in response to a Solicitation, an Award may be made to the single Respondent if the Procurement Officer determines in writing that the price or other selection criteria submitted is fair and reasonable.

HS-319 RETENTION OF PROCUREMENT RECORDS

All Procurement records shall be retained and disposed of in accordance with applicable state and federal law.

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HS-320 REQUEST FOR PROPOSALS (RFP)


- A. Proposals may be solicited through a Request For Proposals (RFP).
- B. A Request For Proposals shall set forth those factors listed in HS-303 that are applicable and shall also state:
 - 1. The relative importance of price and other evaluation factors. Specific numerical weighting is not required;
 - 2. That Discussions may be conducted with Respondents who submit Proposals determined by the Procurement officer to be reasonably susceptible of being selected for Award;
 - 3. The minimum information and/or qualifications that the Proposal shall contain.
- C. A Request For Proposals shall be issued at least seven (7) Days before the closing date and time for receipt of Proposals unless the Procurement Officer determines a shorter time necessary in writing.
- D. A determination that a Proposal is not reasonably susceptible for Award or non-responsive shall be documented and retained in the Procurement file.
- E. All information contained in the Proposals shall be deemed confidential until Award or cancellation of the Solicitation.

HS-321 NEGOTIATIONS WITH INDIVIDUAL RESPONDENTS

The Procurement Officer shall establish procedures and schedules for conducting Negotiations. Disclosure of one Respondent's Price or any information derived from competing Proposals is prohibited. Any Response to a Procurement Officer's request for Clarification of a Proposal shall be in writing. The Procurement Officer shall keep a written record of all Negotiations.

For the purposes of conducting Negotiations with Respondent's, the Procurement Officer is authorized to use either of the following methods which, in his/her judgment, best meets the unique requirements of each Solicitation process.

- A. Concurrent Negotiations. Negotiations may be conducted concurrently with Responsible Respondents for the purpose of determining source selection and/or Contract Award.

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- B. Exclusive Negotiations. A determination may be made by the Director, Procurement & Contracts to enter into exclusive Negotiations with the Responsible Respondent whose Proposal is determined in the selection process to be most Advantageous to the Maricopa County Special Health Care District. Exclusive Negotiations may be conducted subsequent to concurrent Negotiations or may be conducted without requiring previous concurrent Negotiations. A determination to conduct exclusive Negotiations shall not constitute a Contract Award nor shall it confer any property rights to the successful Respondent. If exclusive Negotiations are conducted and an agreement is not reached, the Maricopa County Special Health Care District may enter into exclusive Negotiations with the next highest ranked Respondent without the need to repeat the formal Solicitation process.

HS-322 BEST AND FINAL OFFERS

- A. The Procurement Officer may issue a written request for best and final Offers. The request shall set forth the date, time and place for the submission of best and final Offers. The request for best and final Offers shall inform Respondents that if they do not submit a best and final Offer, their immediate previous Offer will be construed as their best and final Offer.
- B. Prior to the date and time set for receipt of best and final Offers, Respondents with whom Discussions have been held may withdraw their Proposal, may clarify their proposals, or correct any mistake by modifying the Proposal with the written approval of the Procurement Officer.
- C. A best and final Offer received after the closing date and time for receipt of Best and Final Offers shall be rejected.
- D. After receipt of best and final Offers, a Respondent may not withdraw a Proposal or correct a mistake without the written approval of the Procurement Officer.


HS-323 MODIFICATIONS OF PROPOSALS

- A. A modification of a Proposal resulting from an addendum issued after the closing date and time for receipt of Proposals shall be considered if received by the closing date and time set forth in the addendum or by the closing date and time for submission of best and final Offers, whichever is applicable.
- B. A modification of a Proposal resulting from Discussions shall be considered if received by the closing date and time set forth in the addendum, or by the closing date and time for submission of best and final Offers, whichever is applicable.

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HS-324 REVIEW OF QUALIFICATIONS (ROQ) SELECTION PROCEDURES FOR PROFESSIONAL SERVICES

- A. Maricopa County Special Health Care District may use a Review Of Qualifications of Persons interested in contracting for Professional Services as defined in HS-202
- B. Procedures for selection of A/E Consultant Services for planning and design of Construction projects are contained in Article 5 of this Code.
- C. The selection committee shall consist of two or more representatives. One of the representatives shall be a peer in education, experience, or position of the Persons being reviewed. The selection of a healthcare service facility will consist of two or more representatives familiar with licensure regulations for the facility. The selection committee may not be required for those services Maricopa County Special Health Care District will qualify through a Maricopa County Special Health Care District credentialing process. The selection committee may select one or more qualified Persons for Contract Award at a fair and reasonable price after reviewing:
 - 1. A list maintained by Maricopa County Special Health Care District or any other Arizona public or governmental entity of prospective Persons who have indicated interest for future Contracts.
 - 2. The qualifications of all Persons submitting a Letter of Interest and a statement of qualifications in response to a public advertisement which includes the closing date for Letters of Interest and statements of qualifications. Persons may amend these statements at any time by filing a new statement.
- D. The request for the Solicitation shall state in advance the services to be purchased and all qualification criteria to be met by the Respondent, which may include but are not limited to any licensing, certification, inspection or insurance requirements. Responses to the Review for Qualification shall also include detailed and specific information as to the services to be provided.
- E. All information other than the name of the Respondent shall remain confidential until after the Award.
- F. Upon completion of the selection process and/or credentialing process, a contract will be negotiated by the procurement officer.


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HS-325 INVITATIONS FOR BIDS (IFB)

- A. Contracts may be solicited by Invitation for Bids when specifications are predetermined and competitive pricing is the most important factor in making an award.
- B. IFBs shall follow general Solicitation procedures established in HS 303 - 319, except as set forth in this Section.
- C. Based on the specification in the IFB, Bids shall be evaluated to determine which Respondent Offers the lowest cost to Maricopa County Special Health Care District in accordance with the evaluation criteria set forth in the Invitation For Bids.
- D. The Contract shall be Awarded to the lowest Responsible and Responsive Respondent:
 - 1. Whose Bid conforms in all material respects to the requirements set forth in the Invitation For Bids.
 - 2. Unless otherwise provided in the Invitation For Bids, Award may be made by individual line item, by group of line items, or for the aggregate total of all line items.
- E. If there are two or more low Responsive Bids from Responsible Respondents that are identical in price and that meet all the requirements and criteria set forth in the Invitation For Bids, Award may be made by any manner determined reasonable by the Procurement Officer. If advantageous to Maricopa County Special Health Care District, an award may be made to both Respondents.
- F. A Contract may not be Awarded to a Respondent submitting a higher quality item than that designated in the Invitation For Bids unless the Respondent is also the lowest Respondent as determined under Subsection D of this Section.
- G. The Procurement Officer may seek written Clarification of a Bid but this does not permit Discussions with any Respondent.


HS-326 MULTI-STEP SEALED BIDDING

- A. The multi-step sealed bidding method may be used if the Procurement Officer determines that:
 - 1. Available Specifications or Purchase Descriptions are not sufficiently complete to permit full competition without evaluations and Discussions to ensure mutual

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understanding between each Respondent and Maricopa County Special Health Care District;

2. Definite criteria exist for evaluation of Proposals;
 3. More than one qualified source is expected to be available; and
 4. A fixed price-contract will be used.
- B. The multiple step sealed bidding method may not be used for Construction Contracts.
- C. The Procurement Officer may hold a conference with Respondents before submission or at any time during the evaluation of the unpriced Proposals.
- D. PHASE ONE OF MULTI-STEP BIDDING
1. Multi-Step sealed bidding shall be initiated by the issuance of an invitation to submit unpriced Proposals. The invitation to submit unpriced Proposals shall contain the following information:
 - a. Notice that the Procurement shall be conducted in two phases and that priced Bids will be considered only in the second phase and only from those Respondents whose unpriced Proposals are found acceptable in the first phase;
 - b. The best description of the Materials or Services desired;
 - c. The requirements for the unpriced Proposals, such as drawings and Descriptive Literature;
 - d. The criteria for evaluating unpriced Proposals;
 - e. The closing date and time for receipt of unpriced Proposals and the location where Proposals should be delivered or mailed; and
 - f. A statement that Discussions may be held.
 2. The original Solicitation may be amended after the submission of the unpriced Proposals. The amendment shall be distributed only to Respondents who submitted unpriced Proposals, and those Respondents shall be permitted to submit new


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unpriced Proposals or to amend the Proposals already submitted. If an amendment materially changes the Procurement, the Solicitation shall be canceled or reissued.

3. Unpriced Proposals shall not be opened publicly, but shall be opened in the presence of two or more Procurement officers. The contents of unpriced Proposals shall not be disclosed to unauthorized persons.
4. Unpriced Proposals shall be evaluated solely in accordance with the criteria set forth in the Solicitation and shall be determined to be either acceptable for further consideration or unacceptable. Documentation that an unpriced Proposal is unacceptable shall be in writing, state the basis of the determination and be retained in the Procurement file. If the Procurement Officer determines a Respondent's unpriced Proposal is unacceptable, the Procurement Officer shall notify that Respondent of the determination and the Respondent shall not be afforded an opportunity to amend its Proposal.
5. The Procurement Officer may conduct Discussions with any Respondent who submits an acceptable unpriced Proposal. During Discussions, the Procurement Officer shall not disclose any information derived from any unpriced Proposal to any other Respondent. After Discussions, the Procurement Officer shall establish a closing date for receipt of final Proposals and shall notify in writing Respondents submitting acceptable Proposals of the closing date. The Procurement Officer shall keep a record of all Discussions.
6. At any time during phase one, Proposals may be withdrawn or Clarifications may be requested from Respondents.

E. PHASE TWO OF MULTI-STEP SEALED BIDDING


1. Upon completion of phase one, the Procurement Officer shall conduct phase two by issuing an Invitation for Bid to Respondents whose final unpriced Proposals were determined to be acceptable in phase one.
2. The Contract Award will be made to the lowest Bidder.
3. Unpriced Proposals of unsuccessful Respondents shall be open to public inspection after final Award.

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HS-327 REQUEST FOR QUOTATIONS (RFQ)

Any Procurement which does not exceed an aggregate annual dollar amount of two hundred fifty thousand dollars (\$250,000) to Maricopa County Special Health Care District may be made in accordance with the following procedures except that the procurement shall be made with such competition as is practicable under the circumstances and exercising sound business judgment.


- A. The Procurement Officer shall solicit Responses by issuing a Request for Quotations (RFQ) to at least the minimum number of potential Respondents as established in HS-327 subsection B, if possible. If the Procurement Officer is unable to identify adequate potential Respondents, the procurement file shall reflect what efforts were undertaken to identify the required number.
- B. For quotes on purchases estimated to cost annually between:
 - 1. \$100,001 and \$250,000 the Request For Quotations will be issued to at least five vendors for written quotes.
 - 2. \$50,000 to \$100,000, the Request For Quotations will be issued to at least three vendors for written quotes.
 - 3. \$25,000 to \$50,000, Oral quotes requested from at least three vendors followed by electronic (e-mail) verification.
 - 4. Purchases of less than \$25,000 may utilize single source selection with as much competition as possible.
- C. Quotes for purchases with an aggregate value up to \$250,000 may be solicited by telephone, facsimile or e-mail. Complete documentation of the solicitation will be maintained in the Procurement file in accordance with Maricopa County Special Health Care District Materials Management Department procedures including a list of vendors contacted and the vendor representative name, facsimile and/or e-mail confirmation.
- D. The Procurement Officer may consider the price, experience, the Respondent's reputation, availability of good or services, the service level of the Respondent, and compatibility of equipment in making an Award. Other specific criteria may be utilized as necessary given the nature of the specific purchase.

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- E. Respondents shall submit quotes on the form provided by the Procurement Officer and the quotes shall be recorded and placed in the Procurement file.
- F. Award(s) shall be made to the Responsible Respondent(s) who submits the quotation that is most Advantageous to Maricopa County Special Health Care District and conforms to the purchase requirements.
- G. If only one Responsive quotation is received, an Award may be made to the sole Respondent if the Director, exercising sound business judgment, so determines or the Director may cancel the Solicitation, or cancel the Solicitation and issue a new Solicitation.
- H. A statement shall be included in the Procurement file setting forth the basis for Award.
- I. All pricing on written quotations is to remain confidential until the transaction is complete, i.e., the purchase order or contract is issued, or the Solicitation is canceled.

HS-328 SOLE SOURCE PROCUREMENT

- A. A Contract may be Awarded for a material, Service, or Construction without competition based on written documentation submitted by the applicable Maricopa County Special Health Care District department that no reasonable alternative source exists. Any request by a Maricopa County Special Health Care District department that a Procurement be restricted to one potential Contractor shall be accompanied by an explanation as to why no other would be suitable or acceptable to meet the need. The written documentation of the basis for the sole source Procurement shall be included in the Contract file.
- B. Examples of sole source procurement include, but are not limited to:
 1. Where there is only one acceptable product or vendor of a particular good or service.
 2. Patient care devices such as implants heart valves, bone screws, prosthetics, etc.
 3. Additions, replacements or modifications to existing systems or equipment where there are not substitutable or interchangeable components, software, etc.
 4. Limitations imposed by copyrights, patents, warranty, service, or other agreements.
 5. Where an item is required for trial use or testing.
 6. To meet legal or regulatory mandates of a contract, such as AHCCCS special provisions.

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HS-329 EMERGENCY PROCUREMENT

- A. Notwithstanding any other provisions of this code, the Director may make, or authorize others to make, emergency Procurements if there exists a threat to public health, welfare, property or safety, or, that seriously threatens the functioning of Maricopa County Special Health Care District, or if a situation exists which makes compliance with Solicitation requirements impracticable, unnecessary or contrary to the public interest. Such emergency Procurements shall be made with such competition that is practicable under the circumstances and shall be limited in time and quantity to those materials, Services or Construction necessary to satisfy the emergency need. A Written Determination of the basis for the emergency and for the selection of the particular Contractor shall be included in the Contract file.


- B. All emergency Procurements in excess of \$25,000 must be approved by the MIHS President and Chief Executive Officer. Those emergency Procurements not exceeding \$25,000 must be approved by the Director.

- C. The Maricopa County Special Health Care District department seeking an emergency Procurement shall prepare a written request as soon as practicable documenting the existence of an emergency condition, how it arose and explaining the extent of Procurement needed and that;
 - 1. The emergency necessitated immediate response.
 - 2. The Procurement was made with as much competition as was practicable under the circumstances.
 - 3. The price paid was reasonable and based on sound business judgement.

HS-330 RESPONSIBILITY OF RESPONDENTS

- A. A Procurement Officer shall determine if the Respondent is responsible before recommending an Award of the Contract to that Respondent.

- B. Factors to be considered in determining if a Respondent is responsible may include, but are not limited to:
 - 1. The proposed Contractor's financial, physical, personnel or other resources, including subcontracts;

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2. The Respondent's length and record of performance and integrity; and
 3. Whether the Respondent is legally qualified to Contract with Maricopa County Special Health Care District.
- C. The Procurement Officer may establish specific responsibility criteria for a particular Procurement. Any specific responsibility criteria shall be set forth in the Solicitation.
 - D. A Written Determination of non-responsibility of a Respondent shall be made in accordance with this Code. A copy of the determination shall be promptly sent to the non-responsible Respondent. The final determination shall be made part of the Procurement file.
 - E. The unreasonable failure of a Respondent to promptly supply information in connection with an inquiry with respect to responsibility shall be grounds for a determination of nonresponsibility with of the Respondent.

HS-331 ASSIGNMENT OF THE RIGHTS AND DUTIES


The rights and duties of a Maricopa County Special Health Care District Contract are not transferable or otherwise assignable without the written consent of the Procurement Director.

HS-332 ADMINISTRATIVE CHANGES

Minor changes to a Contract, which do not materially affect quality, quantity, or price, may be made if they are documented by the Procurement Officer in the file or by a Contract amendment. Such changes may include but are not limited to changes in Contractor's name, address, business locations and tax or provider identification numbers. These administrative changes are exempt from Contract Modification procedures.

HS-333 RIGHT TO INSPECT


Maricopa County Special Health Care District may, at reasonable times, inspect the place of business, operations, equipment or records of a Contractor or subcontractor that is related to the performance of any Contract Awarded or to be Awarded by Maricopa County Special Health Care District.

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RIGHT TO AUDIT RECORDS

Maricopa County Special Health Care District is entitled to audit the books and records of a Contractor or any subcontractor under any Contract or subcontract to the extent that the books and records relate to the Contract or subcontract. The Contractor shall maintain the books and records for a period of six years from the date of final payment under the prime Contract and by the subcontractors for a period of six years from the date of final payment under subcontract, unless a different period is required by law.


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HS-401 SPECIFICATIONS

Maricopa County Special Health Care District may prepare and use its own specifications and may obtain advice and assistance from personnel in the development of specifications.

HS-402 BRAND NAME OR EQUAL SPECIFICATIONS

- A. A Brand Name or Equal Specification may be used when that use of a Brand Name or Equal Specification is Advantageous and:
1. No Specification for a common or general use item or qualified products list is available; or
 2. Time does not permit the preparation of another form of Specification, other than a Brand Name or Equal Specification; or
 3. The nature of the product or the Districts requirements makes use of a Brand Name or Equal Specification suitable for the Solicitation.
- B. Such determination may be made for categories of materials, Services or Construction items or, in appropriate circumstances, for an entire Solicitation even though a number of different items are being procured.
- C. A Brand Name or Equal Specification shall designate as many different brands as are practicable as "or equal" references.
- D. A Solicitation that uses a Brand Name or Equal Specification shall explain that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired and is not intended to limit or restrict competition. The Solicitation shall state that products substantially equivalent to those brands designated shall qualify for consideration.

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HS-501. APPLICABILITY


Article 5 of the Procurement Code defines the requirements and authorities for Solicitation and Contract activities associated with the design, Construction, reconstruction and remodel of District facilities. This Article also applies to the procurement of various Professional Services required by the District to meet its needs related to the design, Construction, reconstruction and remodel of District facilities.

HS-502. RESPONSIBILITIES AND AUTHORITY

The Procurement of Construction and related Architect/Engineer services shall comply with the requirements specified in the Arizona Revised Statutes, Title 34.

HS-503. TYPES OF ARTICLE 5 CONSTRUCTION SOLICITATIONS


- A. The Arizona Revised Statutes authorize the District to conduct several types of Construction Solicitations. These Solicitations are:
1. Limited Scope Construction Procurement – Procurement of Construction services in an amount adjusted annually pursuant to statute, which is \$16,531.00 for fiscal year 2005 (Adjusted per A.R.S. § 34-201).
 2. Simplified Construction Procurement Program – Procurement of Construction services limited to \$100,000.00, including all Change Orders subsequent to Award. Solicitations shall be sent to Contractors listed on a Construction Contractor register in accordance with Arizona Revised Statutes, Title 34.
 3. Design-Bid-Build - A procurement method in which a consultant under one Contract designs a project, the project is publicly Bid, and the lowest Responsible and Responsive Respondent then constructs the project under a second and separate Contract.
 4. Design-Build - A procurement method where one Contract is Awarded for both the design and Construction of a project. Design is normally accomplished prior to Construction but, design and Construction may occur simultaneously.
 5. Construction-Manager-At-Risk - A procurement method where separate Contracts are Awarded for the design and the Construction of a project. Design and Construction may occur sequentially or concurrently.

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6. Job-Order-Contracting - This type of Contract is an “on-call” Construction Contract. This type of Contract is limited to five (5) years. The Contract is Awarded consistent with the current MIHS Authorization and Responsibility Matrix as approved by the Board of Directors. The dollar amount of an individual job assignment shall not exceed \$1,000,000.00. No job shall be artificially divided or fragmented to create a job order that satisfies this requirement.

B. Limited Scope Construction Procurement

1. The following procedures will be used to implement Limited Scope Construction Procurements for Construction services with a value of less than \$16,531.00 in Fiscal Year 2005 dollars (Adjusted per A.R.S. § 34-201):
 - a. Prepare Specifications and scope of work. The scope of work shall be written in sufficient detail to enable a Contractor to submit a written response for the described work. The scope of work may include drawings, sketches, job project coordination requirements or other data that would affect the price. The scope of work may also require a Contractor to subcontract a minor portion of the project with a consultant to prepare drawings or other documents.
 - b. Prepare a cost estimate for the scope of work.
 - c. Prepare a Request for Quotation that lists the date, time and location for receipt of written responses.
 - d. Responses to a Request for Quotation will be solicited. A “no-response” Response shall constitute a Response. Two written Responses are required.
 - e. Respondents must submit their Responses as specified in the Request for Quotation. Responses received after the due date and time or at the wrong location shall be deemed non-responsive.
 - f. Award of the Contract shall be made by the Director or designee and shall be made to the lowest priced Responsive and Responsible Respondent.
 - g. Should changes in the scope of work be necessary after the Award, they shall be described in a Change Order. The initial Contract shall direct the

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Contractor not to begin work as the result of any change until receipt of a written approved Change Order.

C. Simplified Construction Procurement Program


1. The Simplified Construction Procurement Solicitation process for Construction shall not exceed \$100,000.00. The process shall require:
 - a. A list maintained of qualified Persons who desire to receive Solicitations to Bid on Construction projects to which additions shall be permitted.
 - b. The list of Persons shall be available for public inspection.
 - c. Agreements for Construction are on approved forms.
 - d. A Performance Bond and a Payment Bond is required.
 - e. All Responses for Construction shall be opened at a public opening.
 - f. All Persons desiring to submit Responses be treated equitably and the information related to each project be available to all eligible Persons.
 - g. The Simplified Construction Procurement Process encourages the maximum competition possible.
2. Register of Prequalified Contractors

The Director or his designee may maintain a register of prequalified Contractors.

D. Design-Bid-Build.

1. In this process, there is a sequential Award of two (2) separate Contracts. The first Contract is for design services and the second Contract is for Construction. Finance services, maintenance services, and operations services shall not be included. Once the design is completed, the Invitation For Bids is advertised for Response. The Construction Contract is Awarded to the lowest Responsible and Responsive Respondent.


E. Design-Build.

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1. Design-Build means a project delivery method in which:
 - a. There is a single Contract for design Services and Construction Services.
 - b. Design and Construction of the project may be in sequential phases or concurrent phases.
 - c. Finance Services, maintenance Services, operation Services, design Services, preconstruction Services and other related Services may be included.
2. The Design-Build Solicitation is a qualification-based selection process that produces a short list of qualified Respondents. Negotiations may be with the highest qualified Respondent or a Request for Proposals is sent to all the Respondents listed on the short list.

F. Construction-Manager-At-Risk.

1. Construction-Manager-At-Risk means a project delivery method in which:
 - A. There is a separate Contract for design Services and a separate Contract for Construction Services.
 - B. The Contract for Construction Services may be entered into at the same time as the Contract for design Services or at a later time.
 - C. Design and Construction of the project may be in sequential phases or concurrent phases.
 - D. Finance Services, maintenance Services, operation Services, preconstruction Services and other related Services may be included.
2. Construction-Manager-At-Risk procurement is a qualification-based selection process that produces a short list of qualified Respondents. Negotiations are initiated with the highest qualified Respondent on the short list in accordance with ARS 34-603e.

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G. Job-Order-Contracting.

1. Job-Order-Contracting means a project delivery method in which:
 - A. The Contract is a requirements Contract for indefinite quantities of Construction.
 - B. The Construction to be performed is specified in job assignment(s) issued during the Contract.
 - C. Finance Services, maintenance Services, operation Services, preconstruction Services and other related Services may be included.
2. The Contract shall not exceed five (5) years or \$15,000,000. The single maximum value of an individual work assignment issued under this procedure is \$1,000,000 (per state statute). The maximum yearly contract value of a Job-Order-Contract is \$3,000,000. For the purposes of this sub-paragraph, the term "yearly" means the twelve month period subsequent to the Award of the Contract.

HS-504. PROCUREMENT OF CONSULTANTS


- A. The District may maintain a register of consultants that have expressed an interest in performing work and have provided evidence of their professional qualifications for such work. The register may be categorized to reflect the consultant's primary field of expertise.
- B. The District may procure the services of assayers, engineers, geologists, home inspectors, landscape architects and land surveyors by direct selection if the Contract is for an amount no more than \$500,000.00. The District may procure the services of an architect by direct selection if the Contract is for an amount no more than \$250,000.00.

HS-505. SOLE SOURCE ARTICLE 5 PROCUREMENT

If the need for a sole source Procurement should arise on a Construction project or to obtain a consultant required for a Construction project, the Director shall have the authority to approve such sole source Procurements in accordance with HS-328.

HS-506. ARTICLE 5 EMERGENCY PROCUREMENT

The Director unless otherwise delegated, may make or authorize others to make emergency

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procurements of Construction-Manager-At-Risk, Design-Bid-Build, Design-Build, Job-Order-Contracting, architect, engineer, landscape architect, assayer, geologist, or land surveying services if a threat to the public health, welfare, property, or safety exists or if a situation exists that makes compliance with other Article 5 procurement provisions impracticable, unnecessary or contrary to the public interest. Emergency procurements shall be made with such competition as is practicable under the circumstances. A Written Determination of the basis for the emergency and for the selection of the particular Contractor shall be included in the Contract file in accordance with HS-329.

HS-507. PUBLIC NOTICE

- A. Construction Procurement with a value greater than \$16,531 in 2005 dollars (Adjusted per A.R.S. § 34-201 or 28-6713) shall be advertised as follows:
1. In a newspaper of general circulation printed in English, printed and published in Maricopa County.
 2. Publication shall be once each week for two consecutive weeks if in a weekly newspaper, or six times if no more than ten days apart in a daily newspaper.
- B. The advertisement shall include a description of the project, location of the work, requirements and location to obtain a Bid package, cost range of project, date of pre-Bid and site tour (if any), Procurement contact person, cost to obtain plans and specification, and Bid opening date and location. If there is a mandatory pre-Bid meeting and/or site tour, the date, time and location must be included in the advertisement.


HS-508. ADDENDA

All information pertaining to addend is referenced in HS-305

HS-509. MISTAKES IN RESPONSES

If a Respondent alleges a mistake in its Response, the Article 5 Procurement Officer shall require the Respondent to submit within a reasonable time, not to exceed 24 hours from Response opening, the original estimating documents along with any other price development documents or other information to verify said mistake. In addition to this requirement, mistakes in Responses shall be handled in accordance with HS-314.

HS-510. BOND REQUIREMENTS

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A. Bid Security

1. For design-bid-build construction services, bid security must be in the amount of ten percent of the contractor's bid. (ARS § 34-201.A.3)
2. For job-order-contracting construction services procured via an RFP, bid security must be in an amount determined by the District, but not greater than ten percent of the District's estimated budget for the construction during the first year of the job-order-contracting contract. (ARS § 34-606.A.)
3. For design-build construction services procured via an RFP, bid security shall be ten percent of the District's construction budget for the project, excluding any finance services, maintenance services, operations services, pre-construction services, design services and any other related services as set forth in the RFP. (ARS § 34-606.A)

B. Performance Bonds

1. Design-build construction services contracts require a performance bond satisfactory to the District, executed by a surety company authorized to do business in the State of Arizona, in an amount equal to one hundred percent of the amount specified in the contract. (A.R.S. § 34-608.A.1)
2. Job-order-contracting construction contracts require a performance bond that covers the full amount of construction under the job-order-contracting construction services contract, excluding any design services, pre-construction services, finance services, operations services and other related services included in the contract. The amount of the bond must initially be based on the estimate of the amount of construction that will be done under the contract, except that for multi-year contracts the amount may be for the full term of the contract or there may be a separate bond for each year of the contract, as determined by the District. (ARS § 34-608.A.1)
3. Construction-manager-at-risk construction services contracts and design-build construction services contracts require a performance bond that equals the price of construction and excludes the cost of any design services, pre-construction services, finance services, maintenance services, operations services, and other related services included in the contract. (A.R.S. § 34-608.A.1)

C. Payment Bonds

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1. Design-build construction services contracts require a payment bond satisfactory to the District, executed by a surety company authorized to do business in the State of Arizona, in an amount equal to one hundred percent of the amount specified in the contract for the protection of all persons supplying labor and material to the contractor or its subcontractors. (A.R.S. § 34-223)
2. Job-order-contracting construction contracts require a payment bond that covers the full amount of construction under the job-order-contracting construction services contract, excluding any design services, pre-construction services, finance services, operations services and other related services included in the contract. The amount of the bond must initially be based on the estimate of the amount of construction that will be done under the contract, except that for multi-year contracts the amount may be for the full term of the contract or there may be a separate bond for each year of the contract, as determined by the District. (ARS § 34-608.A.2)
3. Construction-manager-at-risk construction services contracts and design-build construction services contracts require a performance bond that equals the price of construction and excludes the cost of any design services, pre-construction services, finance services, maintenance services, operations services, and other related services included in the contract. (ARS § 34-608.A.2)

HS-511. CONTRACT AWARD AND NOTICE TO PROCEED


- A. Contracts will be Awarded consistent with the current MIHS Authorization and Responsibility Matrix as approved by the Board of Directors.
- B. Upon receipt from the Contractor of the required Bonds and insurance after Award, a Notice to Proceed will be issued which begins the performance period of the Contract.

HS-512. INSURANCE REQUIREMENTS

All insurance requirements, insurance coverage contact language and indemnification Contract language shall be consistent with current Maricopa County Risk Management requirements.

HS-513. CHANGE ORDER AUTHORIZATION


- A. The Director has the authority to approve the following Change Orders, provided that they do not result in a substantial change in the scope of the work of the project:

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1. Time Only Change Orders - Change Orders that only address changes to the time elements of a Contract.
 2. Deduction Change Orders - Any Contract Modifications that result in a reduction in the Contract cost.
 3. Change orders that cumulatively do not exceed 10% of the original Award may be approved by the Director.
- B. Scope of Work Change Order- All Change Orders that will result in a substantial change in scope of work, regardless of the cost increase or decrease requires Board of Directors approval.

HS-514. CONSTRUCTION CONTRACT PAYMENT

- A. Construction Contract payments will be made in accordance with rates and schedules identified in the Contract and are to be made within fourteen (14) calendar days of receipt of a certified and approved payment request. An estimate of the work submitted shall be deemed approved and certified for payment after seven (7) days from the date of submission unless before that time the District prepares and issues a specific written finding setting forth those items in detail in the estimate of the work that are not approved for payment under the Contract. The District may withhold an amount from the progress payment sufficient to pay the expenses the District reasonably expects to incur in correcting the deficiency set forth in the written finding.
- B. The District shall make progress payments on all Contracts of more than ninety days. Unless arrangements have been made for substitute security and except for Job-Order-Contracting, the District shall retain 10% of each progress payment made to Contractors until the work is 50% complete. After the Contract is 50% completed, no more than 5% of the amount of any subsequent progress payments made under the Contract may be retained, and one-half of the amount currently held by the District shall be returned to the Contractor, providing the Contractor is making satisfactory progress on the project. Retention is to be paid to the Contractor upon final acceptance of the work and receipt of a Certificate of Performance. Retention must be returned within sixty (60) days after completion or filing the notice of completion.
- C. Progress payment requests, which are not approved, will be returned to the Contractor clearly stating the non-compliance. The Contractor will also be notified that payment is being held pending receipt of a revised and corrected payment request.

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- D. Notification of progress payment to a Contractor shall be made to subcontractors within five (5) days of each payment, if requested by the subcontractor.

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HS-601 DISTRICT PROPERTY PROCEDURES REGARDING SURPLUS MATERIALS

- A. The Board shall approve the sale, lease, disposal, or exchanges of Surplus Materials when the appraised value or estimated value exceeds \$100,000.
- B. The Director shall approve the sale, lease, disposal, or exchanges of Surplus Materials when the appraised value or estimated value is less than \$100,000.


HS-602 MANAGEMENT OF MATERIALS

- A. The Director shall ensure that each department exercises general supervision of any receiving, storage, and distribution facilities they maintain.
- B. All warehouses and storage areas shall be inventoried at least annually.
- C. Each Department shall conduct physical inventories at the end of the fiscal year.


HS-603 DISPOSITION

- A. Only certified funds or cash shall be accepted for sales of surplus materials.
- B. The Director shall approve trade-in of surplus materials for credit on acquisitions.
- C. Surplus materials may be sold at public auction to the highest bidder.
- D. With the prior approval of the board, surplus materials may be sold or leased at less than fair market value to another governmental entity without a public auction or such property may be sold, leased, or donated for a specific use to any solely charitable or benevolent nonprofit organization incorporated in or operating in this state and which has been granted not-for-profit status by the State of Arizona and the Internal Revenue Service.
- E. With the prior approval of the Director, Surplus Materials may be disposed through any of the following:
 - 1. A retail outlet (for fair market value if the appraised value or estimated value is less than \$100,000)
 - 2. Sealed Bidding
 - 3. Sealed Proposals
 - 4. Public auction

HS-604 LOST, STOLEN OR DESTROYED MATERIALS

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The loss, theft or destruction of materials shall be immediately reported to the appropriate law enforcement agency and/or Risk Management office.


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HS-701 RULES OF PROCEDURE

Rules of procedure providing for the expeditious administrative review of all Contract or Procurement controversies are set forth in this Article.


HS-702 DEBARMENT AND SUSPENSION OF CONTRACTORS

- A. The Procurement Director, at the recommendation of staff, for cause, may suspend and/or debar any Person from consideration for Award of a Contract pursuant to this Code. The Suspension may not exceed more than six months and a debarment may not exceed more than three years for each offense, unless another legal authority has imposed a longer period of time.
- B. The causes for debarment or Suspension shall include, but are not limited to, the following:
1. Conviction of any Person or any subsidiary or Affiliate of any Person for commission of a criminal offense arising out of obtaining, or attempting to obtain, a public or private Contract or subcontract, or in the performance of such Contract or subcontract.
 2. Conviction of any Person or any subsidiary or Affiliate of any Person under any statute of the Federal government, this State or its political subdivision or any other State for:
 - a. Embezzlement
 - b. Theft
 - c. Fraudulent schemes and artifices
 - d. Bid rigging
 - e. Perjury
 - f. Forgery
 - g. Bribery
 - h. Falsification or destruction of records
 - i. Receiving stolen property
 - j. Any other offense indicating a lack of business integrity or business honesty, which affects responsibility as a Contractor.
 3. Conviction or civil judgment finding a violation by any Person or any subsidiary or Affiliate of any Person under State or Federal Antitrust Statutes.
 4. Violations of Contract provisions of a character which are deemed to be so serious

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as to justify debarment or Suspension, such as either of the following:

- a. Knowingly fails without good cause to perform in accordance with the Specifications or within the time limits provided in the Contract.
 - b. Failure to perform or unsatisfactory performance in accordance with the terms of the Contract, except that failure to perform or unsatisfactory performance caused by the acts beyond the control of the Contractor shall not be considered to be a basis for debarment or Suspension.
5. Any other cause deemed to affect responsibility as a Maricopa County Special Health Care District Contractor, including Suspension or debarment of such Contractor or any subsidiary or Affiliate of such Contractor by another governmental entity.
- C. An administrative review shall be held by a person appointed by the Board of Directors. A written notice to the Person considered for debarment or Suspension shall be mailed at least 14 Days prior to the administrative review and shall at the minimum include:
1. Date, time and place of the administrative review;
 2. Statement of reasons for the recommended action; and
 3. A statement to the Person that they may attend and offer information on their behalf.
- D. After a decision has been determined, a written notice shall be sent to the Person citing the:
1. Action taken.
 2. Reasons for the action taken.
- E. Maricopa County Special Health Care District may, by written notice to the Contractor, immediately terminate a Contract if Maricopa County Special Health Care District determines the Contractor has been debarred, Suspended or otherwise lawfully prohibited from participating in any public Procurement activity, including but not limited to, being disapproved as a contractor or subcontractor of any public Procurement unit or other governmental entity.

 MARICOPA INTEGRATED HEALTH SYSTEM <i>Count on us to care.</i>	MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT PROCUREMENT CODE	DEPARTMENT OF MATERIALS MANAGEMENT	
		Article 7	Date 11/1/2005
SUBJECT		LEGAL AND CONTRACTUAL REMEDIES	

HS-703 JUDICIAL REVIEW

Any appeal regarding debarment or Suspension shall be filed with the Superior Court in Maricopa County.

HS-704 VIOLATION; CLASSIFICATION; LIABILITY; ENFORCEMENT AUTHORITY

- A. A Person who Contracts for or purchases any Material, Services or Construction without approval of the Board of Directors or in a manner contrary to the requirements of this Code or the Arizona Revised Statutes may be personally liable for the recovery of all public monies paid plus twenty percent of such amount and legal interest from the date of payment and all costs and damages arising out of the violation.

- B. A Person who intentionally or knowingly Contracts for or purchases any Material, Services or Construction pursuant to a scheme or artifice to avoid the requirements of this Code may be guilty of a Class 4 felony.

HS-705 PROTEST OF CONTRACT AWARDS


- A. Filing of protest:
 - 1. Protests based upon alleged improprieties in a Solicitation that are apparent before the deadline for submission of Response to the Solicitation shall be filed before the deadline or within ten (10) Days after the protester knows or should have known of the basis of the protest, whichever is earlier.

 - 2. Protests are to be filed with the Director who will issue a written decision within 30 Days after the protest has been filed.

 - 3. In cases where the alleged improprieties are not apparent before the deadline for submission of Response to the Solicitation, protests shall be filed within ten (10) Days after the protester knows or should have known the basis of the protest, and no later than the Award of the Solicitation.

 - 4. In all cases not covered by sections A 1-3 of HS-705, the protest shall be filed within ten (10) Days after Contract Award.

 - 5. If the protester shows good cause why the above time requirements could not be met, the Director or designee may consider a protest not filed timely.

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6. Notice of the protesting action shall be given to the successful Contractor if the Award has been made or, if no Award has been made, to the recommended Respondent.

B. Decision:


1. A written decision shall be made within thirty (30) days after the protest has been filed. The decision shall contain the basis for the decision.
2. The time limit for decisions set forth herein may not be extended for more than forty-five (45) Days after the protest has been filed without consent of the protester. The protester shall be notified in writing that the time for the issuance of a decision has been extended and the date by which a decision will be issued.
3. The decision shall be furnished to the protester by certified mail, return receipt requested or by any other method that provides evidence of receipt.

C. All protests shall be in writing and shall include the following:

1. The name, address and telephone number of the protestor;
2. The signature of the protestor or their representative;
3. Identification of the Solicitation or Contract number;
4. A detailed statement of the legal and/or factual grounds including copies of relevant documents; and
5. The form of remedy requested.

D. Remedies


1. Appropriate remedies may include one or more of the following:
 - a. Terminate the Contract;
 - b. Reject and reissue the Solicitation;

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		<p>Article 7</p>	<p>Date 11/1/2005</p>
<p>SUBJECT</p>		<p>LEGAL AND CONTRACTUAL REMEDIES</p>	

- c. Issue a new Solicitation;
- d. Award a Contract consistent with this Code;
- e. Decline to exercise an option to renew the Contract;
- f. Amend the Solicitation; or
- g. Such other relief as is determined necessary.

HS-706 CONTRACT DISPUTES

- A. Except as may otherwise be provided for by law, or otherwise specifically agreed to by the contracting parties, any dispute not involving a question of law arising during Contract performance that is not resolved between the parties within a reasonable time shall be submitted to the following Maricopa County Special Health Care District's Contract disputes process:
 - 1. All Contract disputes shall be submitted in accordance with HS-705 C.
 - 2. Disputes must be filed with the Director within ten (10) Days from the date the Contractor knew or should have known the basis of the dispute.
 - 3. The Director shall respond in writing to the dispute within thirty (30) Days.
- B. The dispute process shall not be employed when there is a grievance and/or appeal procedure established, including but not limited to, those applicable under Title XVIII and XIX under the Social Security Act.

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		Article 8	Date 11/1/2005 Revised 01/29/2014
SUBJECT		INTERGOVERNMENTAL AGREEMENTS	

HS-801 APPLICABILITY


This article applies to all intergovernmental agreements.

HS-802 PROCUREMENT AGREEMENT APPROVAL

The Board of Directors shall approve all agreements (including IGA's) entered into pursuant to this article of this Code.

HS-803 COOPERATIVE PURCHASING AUTHORIZED

The District may participate in, sponsor, conduct or administer a Cooperative Purchasing agreement for the Procurement of any materials or Services with one or more governmental entities in accordance with an agreement entered into between the parties.

 MARICOPA INTEGRATED HEALTH SYSTEM <i>Count on us to care.</i>	MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT PROCUREMENT CODE	DEPARTMENT OF MATERIALS MANAGEMENT	
		Article 9	Date 11/1/2005 Revised 08-25-2010
SUBJECT ETHICS IN PUBLIC CONTRACTING			

HS-901 EMPLOYEE AND CONTRACTOR ETHICS

- A. Maricopa County Special Health Care District employees involved in any aspect of procurement and/or contract shall comply with the Maricopa County Special Health Care District "Standards of Conduct" handbook.
- B. Maricopa County Special Health Care District employees, contracted staff, physicians, and other healthcare providers must discharge their duties impartially so as to ensure fair competitive access to governmental Procurement by responsible Contractors and to avoid the appearance of impropriety. Moreover, they should conduct themselves in such a manner as to foster public confidence in the integrity of Maricopa County Special Health Care District Procurement operation.
- C. Those doing business with Maricopa County Special Health Care District must also observe the ethical standards prescribed herein and as set forth in applicable state or federal law and regulatory authority.


HS-902 INFLUENCE

- A. Any attempt to realize personal gain through Maricopa County Special Health Care District employment by conduct inconsistent with the proper discharge of the employee's duty is a breach of public trust and subject to disciplinary action up to and including termination of employment.
- B. Any effort to influence any Maricopa County Special Health Care District employee or agent to breach the standards of ethical conduct may be grounds for disbarment or Suspension under HS-702.

HS-903 CONFLICT OF INTEREST

It shall be a breach of ethical standards for any employee or agent acting on behalf of Maricopa County Special Health Care District to directly or indirectly participate in or benefit from a Procurement when the employee, agent or his immediate family has a financial interest in the business or organization, or has a potential for financial gain as a direct result of their actions. Maricopa County Special Health Care District employees, contracted staff, physicians, and other healthcare providers involved in any aspect of the procurement or contract process shall comply with the Maricopa County Special Health Care District "Standards of Conduct" handbook.

HS-904 ETHICAL STANDARDS

 MARICOPA INTEGRATED HEALTH SYSTEM <i>Count on us to care.</i>	MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT PROCUREMENT CODE	DEPARTMENT OF MATERIALS MANAGEMENT	
		Article 9	Date 11/1/2005 Revised 08-25-2010
SUBJECT ETHICS IN PUBLIC CONTRACTING			

- A. Other than a remote interest as defined by A. R. S. 38-503, it shall be a breach of ethical standards for any Person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another Person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing content of any Specification or Procurement standard, rendering of advice, investigation, auditing or in any advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement of a Contract or subcontract, or to any Solicitation or Proposal thereof.
- B. It shall be a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a Contract to the prime Contractor or higher tier subcontractor or any Person associated therewith, as an inducement for the Award of a subcontract or order.

HS-905 EMPLOYMENT OF PRESENT AND FORMER EMPLOYEES


It shall be a breach of ethical standards and violation of A. R. S. 38-511 for any employee or former employee who is participating directly or indirectly in the Procurement process or contract administration to become, or be while such an employee, the employee of any Person under Contract with the governmental body by whom the employee is employed without proper authorization.

HS-906 CONFIDENTIAL INFORMATION

It shall be a breach of ethical standards for any employee or former employee knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other Person.

HS-907 LIABILITY

- A. A Person who knowingly contracts for or purchases any material, Service, or Construction in a manner contrary to the requirements of these rules may be held personally liable for the recovery of all public monies paid plus twenty percent of such amounts and legal interest from the date of payment and all costs and damages arising out of the violation of A. R. S. 41-2616.
- B. A Person who intentionally Contracts for or purchases any material, Services or Construction pursuant of a scheme or artifice to avoid the requirements of these rules may be found guilty of a Class 4 felony according to A. R. S. 41-2616.

 MARICOPA INTEGRATED HEALTH SYSTEM <i>Count on us to care.</i>	MARICOPA COUNTY SPECIAL HEALTH CARE DISTRICT PROCUREMENT CODE	DEPARTMENT OF MATERIALS MANAGEMENT	
		Article 9	Date 11/1/2005 Revised 08-25-2010
SUBJECT		ETHICS IN PUBLIC CONTRACTING	

- C. A Person who serves on an evaluation committee for Procurement shall disclose any conflict of interest in the Procurement. The Person shall sign a statement before reviewing Bids or proposals that the Person has no interest in the Procurement other than that disclosed and will have no contact with any representative of the competing vendors related to the particular Procurement during the course of evaluation of Bids and Proposals; except as needed for formal oral presentations; or as approved by the Procurement Officer.
- D. A Person who serves on an evaluation committee and who fails to disclose contact with a representative of the competing vendors or who fails to provide accurate information on the statement may be subject to civil penalty and disciplinary action up to including termination of employment.

HS-908 REPORTING OF ANTICOMPETITIVE PRACTICES

- A. If for any reason collusion or other anticompetitive practices are suspected among any Respondents or Contractors, a notice of the relevant facts shall be transmitted to the Director and to the State Attorney General. This section does not require a law enforcement agency conducting an investigation into such practices to convey such notice to the Director.
- B. Upon signing a Contract, Respondent must certify that its submission did not involve collusion or other anticompetitive practices.

Approval, Authorization and Responsibility Matrix

APPROVED **12/14/2005**

REVISED **10/24/2018**

	Board of Directors	Management								
	Special Health Care District Board of Directors	Chief Counsel	President & Chief Executive Officer	Senior VP & Executive VP	VP	Director of Procurement & Contracts	Business Office Director	Directors	Managers	Supervisors
I. Governance - Appointments and Removals										
A. Board Officers election and removal	X									
B. Establishment of Board Committees	X									
C. Executive Selection and Termination										
1. President & Chief Executive Officer	X									
2 Other Executives Required in District Bylaws:										
Any Chief Officer	X									
3.Other Executives			X							
D. Performance Review for Executives										
1. President & Chief Executive Officer	X									
2. Other Executives			X							
II. Governance - Reserved Powers & Approvals										
A. Approve System Mission, Vision and Values	X									
B. Adhere to Bylaws	X									
C. Responsibility Matrix	X									
D. Strategic Plan	X									
E. Approve the creation or dissolution of MIHS subsidiaries, partnerships or joint ventures	X									
III. Financial Planning, Budgeting and Oversight										
A. Financial planning and budgeting calendar				CFO						
B. Oversee financial planning activities				CFO						
C. Approve Board financial policy statements	X									
D. Approve strategic financial plan (5 year)	X									
E. Approve annual budgets	X									
F. Approve external auditor selection	X									
G. Approve internal audit plans	X									

Approval, Authorization and Responsibility Matrix

APPROVED 12/14/2005

REVISED 10/24/2018

	Board of Directors		Management							
	Special Health Care District Board of Directors	Chief Counsel	President & Chief Executive Officer	Senior VP & Executive VP	VP	Director of Procurement & Contracts	Business Office Director	Directors	Managers	Supervisors
IV. Contracting and Procurement										
A. Approve and/or execute construction (as defined in the Procurement Code), revenue and/or expenditure contracts, in accordance with approved plans and budgets, for construction projects, the purchase of goods, purchased services with estimated purchases of :										
1. \$0 - \$50,000 with aggregate annual amount		X				X				
2. \$0 - \$100,000 with annual aggregate amount		X		X						
3. \$0 - \$250,000 with aggregate annual amount		X	X							
4. \$250,001 and above with aggregate annual amount	X									
5. Emergency Procurements greater than \$25,000			X							
6. Emergency Procurements not exceeding \$25,000						X				
7. Intergovernmental Agreements and any Amendment to an IGA	X									
B. 1. Approve all non-capital GPO (Group Purchasing Organization) supplier sub-contracts that also involve reduction in price or expansion of scope of work with aggregate annual amount up to \$250,000.						X				
2. Approve all non-capital GPO (Group Purchasing Organization) supplier sub-contracts that also involve reduction in price or expansion of scope of work with aggregate annual amount in excess of \$250,001.	X									
C. Grant Applications Approval Authority - Determined by Grantor/Funder Requirements			X	X	X					
D. Approve acceptance of donations; donate surplus/obsolete equipment and materials to charitable organizations			X							
E. All Contracts involving the sale, lease, and purchase of Real Property	X									
F. Approve all lawsuit settlements less than \$100,000 (Not covered by Self Ins. Plan)			X							
G. Approve all lawsuit settlements more than \$100,000 (Not covered by Self Ins. Plan)	X									
H. Approve and/or execute purchase requests for capital expenditures										
1. Budgeted			X							
2. Substitution within Budget			X							
I. Approve sale, trade-in, disposal of excess/surplus materials										
a. <\$100,000						X				
b. >\$100,000	X									
J. Purchase Authorization Where There is No Underlying Contract:										
1. \$0 - \$500										X
2. \$0 - \$1,000									X	
3. \$0 - \$5,000						X	X	X		
4. \$0 - \$25,000					X					
5. \$0 - \$99,999				X						
6. \$100,000 - \$250,000			X							
7. Greater than \$250,001	X									

Approval, Authorization and Responsibility Matrix

APPROVED 12/14/2005

REVISED 10/24/2018

	Board of Directors		Management								
	Special Health Care District Board of Directors		Chief Counsel	President & Chief Executive Officer	Senior VP & Executive VP	VP	Director of Procurement & Contracts	Business Office Director	Directors	Managers	Supervisors
K. Procurement Card (P-Card): Approve purchase of goods and services in accordance with current Procurement Card Policy & Procedure and authority limits			Refer to current Procurement Card Policy & Procedure for Authority Limits								
L. Notwithstanding any other section in this Matrix, any contract procured via MIHS formal procurement process, with expenditure greater than \$50,000 per year and that has a term of beyond 5 years or that is to be extended beyond a term of 5 years.	X										
V. Information Technology (CIO & IT dept approvals)											
A. Approve software/hardware acquisitions (Functional Compatibility)						CIO					
B. Develop policy and procedures for network usage, email, intellectual property, telecommunications, radio, cell phones, pagers.						CIO					
C. Maintain Business Continuity and Recovery Plans						X	X	X	X		
VI. Patient Revenue Activities (Dept VP & Mgr approvals)											
A. Financial Assistance, Payer Discounts, Refunds, Check Requests, and Administrative Adjustments, Lien Settlements, & approval of write-offs						VP Rev Cycle					
B. Any individual negotiated adjustment								X			
1. <\$50,000											
2. >\$50,000 - \$100,000						VP Rev Cycle					
3. >\$100,000 - \$250,000											
4. >\$250,001 - \$500,000											
5. >\$500,000	X										
C. Payment Plans											
1. exceeding more than 12 months						VP Rev Cycle					
2. Less than \$100/month						VP Rev Cycle					
VII. Physicians and Medical Staff (CMO approvals)											
A. Provide physician leadership education and training											
B. Medical Staff/HP Credentialing & Privilege Delineation	X										
C. Monitor procedural due process for members of the Medical Staff											
D. Maintain timely communications by and between the Medical Staff											
E. Approve changes to Medical Staff bylaws, regulations and policies	X										
F. Approve Medical Staff Department Chairs consistent with Medical Staff Bylaws	X										

Approval, Authorization and Responsibility Matrix

APPROVED 12/14/2005

REVISED 10/24/2018

	Board of Directors		Management							
	Special Health Care District Board of Directors	Chief Counsel	President & Chief Executive Officer	Senior VP & Executive VP	VP	Director of Procurement & Contracts	Business Office Director	Directors	Managers	Supervisors
VIII. Developing and Executing Quality Initiatives										
A. Key Quality Focus Area Responsibilities										
1. Development	X									
2. Monitoring	X									
3. Implementation and reporting			X							
B. Approve quality targets and plans to achieve quality targets			X							
C. See that corrective actions are taken when needed			X							
D. Monitor malpractice data		X	X							
IX. Accreditation, Regulatory, Compliance, Risk										
A. Approve MIHS Compliance Program, Design, Structure and Policies	X									
B. Compliance with appropriate regulatory requirements including but not limited to TJC, DNV, CMS, TDIL, AHCCCS, CAP, NCQA, IRS, CARE, IDI, etc.	X									
C. Approve PI Process, Safety, Disaster Planning,			X							
X. Human Resources										
A. Overall Compensation Policy	X									
B. Overall Benefit Plan	X									
C. Overall Performance Review Plan			X							
D. Operating Policies:			X							
E. New Hires, Transfers, Terminations										
1. Within Approved Budget					X					
2. Not Budgeted			X		X					
F. Annual Performance Reviews	X	X	X	X	X	X	X	X	X	X
G. Promotions and Salary Adjustments										
1. < 10%				X						
2. > 10%			X							
H. Bonus, ie, Sign-on, Referral, Retention, etc				X						
I. Relocation Policy			X							
J. Personnel Action Forms (PAF)										
1. Within Approved Budget				X						
2. Not Budgeted			X							
K. Personnel Requisitions										
1. Within Approved Budget				X						
2. Not Budgeted			X							

Approval, Authorization and Responsibility Matrix

APPROVED 12/14/2005

REVISED 10/24/2018

		Board of Directors	Management									
		Special Health Care District Board of Directors	Chief Counsel	President & Chief Executive Officer	Senior VP & Executive VP	VP	Director of Procurement & Contracts	Business Office Director	Directors	Managers	Supervisors	
XI. Risk Management		Board of Directors	Management									
Issue/Transaction		Special Health Care District Board of Directors	Chief Counsel	President & Chief Executive Officer	Senior VP & Executive VP	VP Compliance	Director of Procurement & Contracts	Business Office Director	Director Risk Management	Managers	Supervisors	Claims Committee
A. Approve MIHS insurance coverage, and insurance and self-insurance policies				X					X			
B. Approve claim settlement less than \$99,999 (covered by Risk Management Insurance & Self-Insurance Plan)				X					X			
C. Approve claim settlement \$100,000 - \$250,000 (covered by Risk Management Insurance & Self-Insurance Plan)				X								X
D. Approve settlement claim \$250,001 (covered by Risk Management Insurance & Self-Insurance Plan)		X										
E. Approve revisions to MIHS Risk Management Insurance & Self-Insurance Plan		X										
F. Approve valid claim related expenses (covered by Risk Management Insurance & Self-Insurance Plan)									X			
G. Patient Account Adjustments less than \$15,001						X			X			

Approval, Authorization and Responsibility Matrix
ADOPTED 06/28/2017 REVISED 10/24/2018

XII. PROPOSITION 480 PROJECTS	Board of Directors			MANAGEMENT	
Issue/Transaction	Special Health Care District Board of Directors	CEO with Concurrent Notice to Board	CFO with Concurrent Notice to Board	Prop 480 Project Executives with Written Approval by CEO and Telephonic and E-mail Notice to Board within 24 Hours of Taking Action	Prop 480 Project Executives with Telephonic and E-mail Notice to Board within 24 Hours of Taking Action
A. Program Planning and Development					
1. Business Plans for All Projects	X				
2. Tactical Plan	X				
3. Program, Procurement and Contracting Process	X				
B. Financial Planning and Budgeting					
1. Financial Planning and Budgeting Calendar	X				
2. Oversight Financial Planning Activities	Notice		X		
3. Strategic Financial Plan	X				
4. Annual Budget	X				
5. External Auditor	X				
6. Internal Audit Plans	X				
C. Contracts, Procurement, and Group Purchasing Organization Contracts (GPO)					
1. Contracts, GPO Contracts and Guaranteed Maximum Price (GMP) Amendments to Previously Approved Contracts When the Total Contract Price Remains Under \$500,000	Notice	X			
2. Guaranteed Maximum Price (GMP) Amendments to Previously Approved Contracts When the Total Contract Price Is Over \$500,000	X				
3. Contracts Over \$500,000	X				
Regarding items 1, 2, and 3 above the IPMO Project Executive may approve expenditures under \$100,000 contingent on the task being approved was within the budget the Board consented to for the project. The Board will be notified of these expenditures on a monthly basis.					
4. Procurement Card: Purchases of Goods and Services with a MIHS Procurement Card and in Preapproved Amounts as Determined by the P-Card Holder's Manager and the C.F.O. in Accordance with the Procurement Card Policy	Notice			Refer to current Procurement Card Policy & Procedure for Authority Limits	Plus Quarterly Reports to the Board
5. If a contract/equipment procurement requires Board approval, however, a delay in waiting for the next a regularly scheduled Board meeting would negatively impact the project's schedule or a discount would not be realized, the Board Procurement Oversight Representatives would be authorized to direct the Project Executive to execute the contract/equipment procurement up to \$3 million. This contract/change order would be brought to the next regularly scheduled Board meeting for ratification by the Board. The Board would recommend two Board members to serve as the Board Procurement Oversight Representatives.	Notice to Board Procurement Oversight Representatives			X	

Approval, Authorization and Responsibility Matrix
ADOPTED 06/28/2017 REVISED 10/24/2018

XII. PROPOSITION 480 PROJECTS	Board of Directors			MANAGEMENT	
Issue/Transaction	Special Health Care District Board of Directors	CEO with Concurrent Notice to Board	CFO with Concurrent Notice to Board	Prop 480 Project Executives with Written Approval by CEO and Telephonic and E-mail Notice to Board within 24 Hours of Taking Action	Prop 480 Project Executives with Telephonic and E-mail Notice to Board within 24 Hours of Taking Action
D. Emergency Change Orders and Authorizations					
1. Emergency Change Orders and Authorizations Under \$500,000	Notice				X
2. Emergency Change Orders and Authorizations Over \$500,000 But Under \$1,000,000	Notice			X	
3. Emergency Change Orders and Authorizations Over \$1,000,000	X				
"Emergency" is as any occurrence which halts or severely adversely impacts ongoing construction of a Project and therefore requires an immediate decision					
E. Non-Emergency Change Orders and JOC Work Orders					
1. Subject to ¶ E. 4 Below, Non-Emergency Change Orders and JOC Work Orders Under \$250,000	Notice				X
2. Subject to ¶ E.4 below, Non-Emergency Change Orders and JOC Work Orders Over \$250,000, But Under \$500,000	Notice			X	
3. Non-Emergency Change Orders and JOC Work Orders Over \$500,000	X				
4. Cumulative Change Orders and JOC Work Orders on any Project: (i) Exceeding 5% of the Project Cost or \$5,000,000, whichever is Less; or (ii) That Create a Significant Change In Project Scope Beyond Prior Approval by the Board	X				
F. Risk Management					
1. Settlements of Proposition 480 Related Lawsuits Not Covered by the District's Self Insurance Plan Under \$100,000	Notice	X			
2. Settlements of Proposition 480 Related Lawsuits Not Covered by the District's Self Insurance Plan Over \$100,000	X				
3. Approval of MIHS Insurance Coverages, Self-Insurance Policy Retention Amounts, and Related Premiums	X				
G. Excess/Surplus Materials					
1. Sale, Trade-in, and/or Disposal of Excess/Surplus Materials Under \$500,000	Notice	X			
2. Sale, Trade-in, and/or Disposal of Excess/Surplus Materials Over \$500,000	X				