



**POLICY FOR THE
PROCUREMENT OF
GOODS AND SERVICES
(PGS)**

**Board of Retirement
Approved on September 4, 2024**

Policy for the Procurement of Goods and Services (PGS)

Authorizing Manager: Ricki Contreras, Administrative Services Division

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I. Purpose

To establish a uniform process for Procurement, Contracts, and Vendor Management to support LACERA's Strategic Priorities of Fiscal Durability, Compliance, and Risk Management.

Standardizing the Procurement, Contracts, and Vendor Management processes will allow LACERA to:

- Maximize LACERA's purchasing power by using Competitive Bidding and cooperative purchasing strategies.
- Mitigate risks associated with purchasing activities (e.g., fraud, waste, abuse), avoid Conflict of Interests, and Vendor operational disruptions.
- Ensure Contract compliance, measure Vendor performance, and mitigate risks associated with Vendors' noncompliance with Contract terms.
- Promote good governance and uphold LACERA's fiduciary duty to administer the system in a manner that will assure the prompt delivery of benefits and services to members and their beneficiaries (Cal. Const. Art. XVI. Sec. 17).

II. Scope

This Policy applies to all LACERA employees (temporary and permanent), contract employees, and Trustees who participate in the Procurement and/or contracting of any Goods and Services.

III. Legal Authority

The Board of Retirement has the discretion to adopt such policies as they deem prudent as part of their plenary authority and fiduciary responsibility for the administration of the system, under Article XVI, Section 17 of the California Constitution and California Government Code Section 31595 of the County Employees Retirement Law of 1937 (CERL).

IV. Definitions

Whenever the following words appear in this Policy or other documents connected with the transactions relative to the Procurement process, they will be construed to have the following meaning:

- Amendment:** An agreed addition to, deletion from, correction, or modification of a Contract signed by all authorized parties. An Amendment may include a Renewal or extension of an existing Contract.
- Bid:** A Quotation received from a Vendor in response to a Solicitation from LACERA.
- Bidder:** A Supplier/Vendor who responds to a Solicitation.
- Business Owner:** The unit within a division that receives the purchased Goods or contracted Services.
- Conflict of Interest:** As defined in LACERA's [Code of Ethical Conduct](#) and in compliance with the [Conflict of Interest Code](#).
- Consultant:** An individual or firm that provides consulting Services to LACERA and does not involve the traditional relationship of employer and employee.
- Contract:** A legally binding written agreement executed between LACERA and a third party in which the parties agree to perform in accordance with the obligations expressed therein.
- Contractor:** A person, partnership, corporation, or other entity that has contracted with LACERA to provide Goods or perform Services for LACERA. A Contractor includes a subcontractor, Vendor, or any of their respective officers, directors, shareholders, partners, managers, employees, or other individuals associated with the Contractor, subcontractor, or Vendor who participated in, knew of, or had reason to know of the Contract.
- Goods:** Supplies, products, materials, or equipment. Goods do not include Services.
- Invoice:** A document showing the Specifications, quantity, price, terms, nature of delivery, and other particulars of Goods sold or of Services rendered.

Procurement (Procure):	Purchasing, renting, leasing, or otherwise acquiring any Goods and/or Services, including all functions from the time of acquisition through to Contract Closeout.
Purchase Order (PO):	A buyer-generated document that authorizes a purchase transaction. When accepted by the seller, the PO becomes a binding Contract on both parties. A PO sets forth the descriptions, quantities, prices, and identifies a specific seller.
Quotation or Quote:	A statement of price, terms of sale, and description of Goods or Services offered by a Vendor to LACERA. This is normally provided in response to an inquiry and often considered an offer to sell.
Renewal:	The process where an existing Contract is renewed for an additional period in accordance with the terms and conditions of the original Contract.
Request for Information (RFI):	A general invitation requesting information for a potential Solicitation. An RFI is typically used as a research tool to prepare a Solicitation or determine the number of qualified Vendors in each market for a possible future competitive Procurement (e.g., Request for Proposal).
Request for Proposal (RFP):	A Solicitation method used to purchase complex Goods and Services that do not have standardized Specifications.
Request for Quotation (RFQ):	A Solicitation method that involves submitting a document to one or more potential Suppliers to elicit Quotations for Goods or Services. Typically, an RFQ seeks an itemized list of prices for Goods or Services that are well defined and quantifiable, such as hardware.
Requisition:	A formal request for the purchase of Goods or contracting of Services.
Response:	A submission from a potential Contractor in response to a Solicitation.
Service(s):	The performance of labor by a third-party firm or Contractor for and/or on behalf of LACERA. Services may be rendered to LACERA by a firm or individual, with or without the furnishing of Goods.

Solicitation:	A document or process used to communicate LACERA's requirements to potential Bidders or Proposers inclusive of requesting a Response in the form of a Quote or proposals for Goods or Services.
Specification(s):	Description of the requirements for Goods and/or Services including the Statement of Work to be fulfilled by the Vendor.
Statement of Work:	A detailed written description of the scope of work, Specifications, deliverables, timeline, and acceptance criteria agreed upon by the Vendor and LACERA
Supplier:	Provider of Goods and/or Services. This term is interchangeable with such terms as Contractor, Vendor, seller, and Consultant.
Vendor:	An individual, business, or governmental entity that has a Contract to provide Goods and/or Services to LACERA. Used interchangeably with the term Contractor or Supplier.
Vendor Management:	The unit responsible for monitoring Vendor performance for compliance with all the terms and conditions contained within the Contract.

V. Purchasing and Contracting Policy

The Policy promotes LACERA's values of Integrity, Transparency, Accountability, and Inclusivity. Employees who participate in the Procurement process must conduct their duties in accordance with LACERA's [Code of Ethical Conduct](#) and in compliance with the [Conflict of Interest Code](#). Employees must prevent actual or perceived Conflicts of Interest.

The Vendor Management Unit within the Administrative Services Division is responsible for implementing and maintaining the processes outlined in this Policy.

Purchasing and Contracting Authority

The Board of Retirement (Board) has the authority to purchase Goods and Services necessary to administer the system in a manner that will assure the prompt delivery of benefits and services to members and their beneficiaries (Cal. Const. Art. XVI, Sec. 17). The Board has a fiduciary duty to ensure LACERA obtains high-quality Goods and Services at competitive prices. As part of its fiduciary duty, the Board delegates the purchasing responsibility to the Chief Executive Officer (CEO).

V. Purchasing and Contracting Policy (Continued)

The CEO further delegates the purchasing responsibility to LACERA’s Purchasing Agent and their designees. The Administrative Services Division Manager is the Purchasing Agent for LACERA. The Purchasing Agent’s designees are the Procurement Buyers and Contract Analysts.

A. Exempt Procurements

The Purchasing Agent is responsible for the Procurement of all Goods and Services, except for:

- Procurement of Services necessary to adjudicate disability retirement applications, such as Panel Physicians, Hearing Officers, Court Reporters, and outside disability counsel for conflict cases.
- Procurement of Goods and Services necessary to effectively administer the Retiree Health Care Benefits Program, such as health plan providers, plan managers, Consultants, auditors, and independent fiduciaries.
- Procurement of Services necessary for the Audit, Compliance, Risk, and Ethics (ACRE) Committee to investigate any matter within their scope of responsibility, including outside counsel and Consultants.
- Procurement of Services subject to the Procurement Policy for Investment-Related Services, such as investment managers, Consultants, legal Services, appraisers, auditors, custodians, securities lending providers, and independent fiduciaries.

B. Requisitions

All Requisitions must be submitted through LACERA’s Enterprise Contract Lifecycle Management System (ECLM) and will require two approvals at the appropriate authority levels as indicated in the table below. Division Managers are responsible for ensuring approved Requisition(s) do not exceed their division budget expenditures for the fiscal year.

Signing Authority for Requisitions	
Purchase Value or Contract Value	Signing Authority
Up to \$30,000	Division Manager and Assistant Executive Officer
Up to \$100,000	Division Manager and Deputy Chief Executive Officer or Authorized Designee (Assistant Executive Officers)
Up to \$500,000	Division Manager and Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer)
Exceeds \$500,000	Division Manager and Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer) with Board Approval

V. Purchasing and Contracting Policy (Continued)

C. Technology Review and Information Security

The Systems Division and the Information Security Office (InfoSec) are responsible for vetting purchases of new technology Goods and Services to ensure compatibility with LACERA's IT infrastructure and compliance with security requirements. The System Division Manager will identify the IT purchases that require the approval of the [IT Coordination Council \(ITCC\)](#). The ITCC ensures the purchases align with LACERA's strategic goals, business strategy, and acceptable levels of risk. The CEO holds final approval authority over all IT purchases.

The Information Security Office must approve the following IT purchases:

- Software license Renewals and subscriptions.
- Annual maintenance and service agreements for operating systems, software, and hardware.

Requisitions for Purchase Orders (POs)

The Procurement Unit within the Administrative Services Division is responsible for purchasing Goods, Equipment, and Services that require a PO for LACERA. Business Owners are responsible for determining the technical Specifications and Service requirements. The Procurement Unit Buyers must ensure that the appropriate authority approves the Requisitions before starting the Procurement process. Buyers determine the purchasing method, manage Competitive Bids, negotiate prices, and manage PO's.

Requisitions for Contracts

The Contracts Unit within the Administrative Services Division is responsible for Contract Requisitions for complex Goods and Services. The Business Owners are responsible for developing Service requirements, deliverables, timeline, and the evaluation criteria. The Contract Unit Analysts prepare Solicitation packets, manage the Solicitation process, assist with Bid evaluations, conduct market research on prices, perform Vendor due diligence, negotiate prices, and execute Contracts that comply with this Policy.

D. Purchasing Methods

1. Competitive Bidding

Competitive Bidding is LACERA's preferred purchasing and contracting method because it ensures accuracy, fairness, and transparency throughout the Procurement process. It also allows LACERA to obtain quality Goods and Services at competitive prices from qualified Vendors.

V. Purchasing and Contracting Policy (Continued)

2. Sole Source

Sole Source is LACERA's non-competitive Procurement method used when competition is not practicable due to the unique qualifications of a Vendor or compelling business reasons documented in a justification memo by the Business Owner. Sole Source Procurements must be approved by the Chief Executive Officer and reported to the Board. A Sole Source Procurement cannot be based on a Business Owner's preference to work with a particular Vendor or because the competitive process requires an abundance of work.

Acceptable Sole Source Justifications include:

- Goods that are unique, proprietary to the Vendor, or not available through resellers.
- Manufacturers that have licensed the Goods to be sold only by one or more reseller.
- When the use of alternative Goods would compromise existing Contracts or result in significant related costs such as additional hardware, training, or lead time.
- Goods that are purchased in response to an Emergency where time is of the essence.
- The Service provider is a subject matter expert and possesses highly specialized knowledge and expertise in a particular subject or field.
- LACERA's required time for project completion is critical, time is of the essence and cannot be exceeded without extreme hardship to LACERA.
- A unique and proprietary solution was offered in the best interest of LACERA.

Type of Purchasing Transactions

3. Purchase Orders (POs)

PO's must include the following information:

- PO Number--Buyers will assign a unique PO Number.
- PO Date--the date the PO was created.
- Order Details.
- Clear description of Goods and/or equipment.
- Technical Specifications or requirements if applicable.
- Quantity and unit price.
- Delivery date.
- Shipping methods.
- Payment terms.

V. Purchasing and Contracting Policy (Continued)

4. Contracts

Contracts are used for complex Goods and/or Services, or long-term agreements. They define each party's rights and responsibilities. Contract Analysts must ensure all Contracts are approved at the appropriate authority level before initiating the Solicitation process. Whenever possible, the use of Contracts is preferred.

5. Corporate Credit Card Purchases

Authorized employees can use a Corporate Credit Card to purchase Goods or Services when another form of payment is not acceptable or practical. All purchases must comply with this Policy and [LACERA's Corporate Credit Card Policy](#).

Corporate Credit Card users must opt out of auto renewal plans for IT related purchases. IT related purchases must be approved by the Information Security Office and the Legal Office prior to the Renewal date.

6. Leverage Procurement Agreement (LPA)

A Leverage Procurement Agreement (LPA) is a strategic purchasing method that allows LACERA to purchase Goods or contract for Services using existing Contracts competitively Bid and negotiated by other public agencies. Purchases utilizing LPAs or any agreement are not considered Sole Source purchases, they are agreement purchases. LPAs are available to California's state, county, city, special district, education, and other government entities.

LPAs allow LACERA to negotiate with the Supplier to provide the same item(s) at the same price(s) without the need for a competitive process (i.e., "Piggyback request"). All terms and conditions must remain the same as the original purchase.

7. Master Agreements

Master Agreements (MAs) are competitively Bid Contracts for Goods and/or Services that establish a list of pre-qualified Vendors. LACERA utilizes MAs to obtain routine Goods and Services on an as-needed basis. Vendors qualify through a Solicitation process known as the Request for Statement of Qualification (RFSQ). Those who meet the minimum qualifications and accept the terms and conditions of the MA are designated as LACERA Vendors within their specific categories.

MA Vendors are eligible to receive work or purchase orders (POs) Solicitations in the categories for which they are pre-qualified. Awards for work or POs are typically made to the lowest-priced Vendor unless the Solicitation specifies other evaluation criteria, such as quality, quantity, availability of goods, delivery schedules, or geographical convenience.

V. Purchasing and Contracting Policy (Continued)

8. Prohibited Purchases

LACERA staff shall exercise prudence and integrity in the management of LACERA funds. LACERA funds cannot be used for any personal purchases or celebrations (e.g., birthdays, retirements, holiday parties). Authorized employees may purchase food and beverages for Board meetings, conferences, employee recognition ceremonies, and other official events conducted to improve the quality of service provided to LACERA members.

9. Retroactive Purchases

Except in the case of a bona fide Emergency, a properly executed PO, Contract, or change order must be in place prior to ordering or receiving Goods or Services. The Executive Office must approve retroactive unauthorized purchases. The requesting division manager must also submit a statement of good cause explaining why they circumvented the Procurement process.

An unauthorized purchase occurs when any division, unit, or individual approves, negotiates, or otherwise commits LACERA to do business with a specific Vendor to provide equipment, supplies, or Services without prior approval in accordance with the processes outlined in this Policy.

10. Emergency, Confidential or Time Sensitive Purchases

An emergency is any unexpected circumstance that critically impacts LACERA's ability to conduct its day-to-day operations, affects the health, safety, and welfare of LACERA staff or members, impairs LACERA's legal rights, or harms any of its property. Such circumstances may demand immediate action and require staff to obtain Goods and Services outside the parameters set forth in this Policy and therefore qualify as exceptions to LACERA's standard Procurement process. Failure to anticipate a need, timely perform requisite job duties, or comply with any LACERA policies and procedures does not qualify as a justifiable emergency.

In a justifiable emergency, the CEO or their designee may procure Goods and Services beyond stated discretionary spending limits as considered reasonable under the circumstances. Corporate Credit Card spending limits may also be increased as considered reasonable under the circumstances and in accordance with LACERA's [Corporate Credit Card Policy](#) when possible. Any emergency purchase shall be subject to review by the Legal Office, unless rendered unfeasible by the particular emergency circumstances.

Emergency purchases requiring confidentiality may be made without notifying the Procurement Unit in writing explaining the grounds of the confidentiality and the steps that need to be taken to protect it. All such purchases require appropriate documentation (redacted as necessary) which shall be forwarded to the Administrative Services Division Manager, the Legal Office, and the CEO.

V. Purchasing and Contracting Policy (Continued)

Within seven (7) calendar days of any emergency purchase, a complete description of the emergent circumstances and justification for making the purchase outside the requirements set forth in this Policy shall be documented in writing and submitted to the Administrative Services Division Manager and the CEO, and the Legal Office if needed and the Legal Office is not otherwise involved in requesting the purchase. If the purchase is greater than the spending authority outlined in this Policy, request shall be made to the Board of Retirement to certify that the circumstances required an emergency purchase and qualified as a valid exception to LACERA's standard Procurement process, and the requirements set forth in this Policy.

11. Fragmenting (Split Purchasing)

To ensure transparency in the Procurement process serial and fragmented purchasing is prohibited. Serial and fragmented purchasing is the practice of intentionally splitting Requisitions and/or orders for the same or similar Goods or Services to avoid the competitive process or circumvent the appropriate signature authority levels. To avoid fragmentation Business Owners must consider the aggregate value of the Goods and Services.

12. Invoices

POs and Contracts must include instructions on how to submit Invoices for payment. To facilitate payment, the Invoices must be addressed to the Business Owner's division and suite number. All Invoices must be validated against the original PO and delivery documents before payment is made.

E. Solicitations Competitive Process

Competitive Bidding is the process of obtaining Bids for the same Goods and/or Services from multiple Vendors. The award is given to the most responsible Bidder. LACERA utilizes Competitive Bidding to survey the marketplace and obtain Goods and Services from qualified Vendors at competitive prices. The Competitive Bidding process aligns with LACERA's values and promotes transparency, fairness, and equity of opportunity to potential Vendors.

Vendors doing business with LACERA must register at Vendor Client Gateway and submit required documentation.

1. Informal Bidding

Informal bidding refers to the process of soliciting at least three Bids or Quotations without a formal "Invitation to Bid" or "Request for Proposal." Competitive Bids are obtained by email, catalogues, or other manner that does not require a sealed Bid or other formalities. LACERA uses informal bidding for Procurements of Goods or Services *up to* \$25,000.

V. Purchasing and Contracting Policy (Continued)

a) Request for Quotation (RFQ)

An informal Bid where a request and description of the Goods and Services are sent to at least three Vendors. LACERA uses RFQs for Goods and Services with well-defined requirements and where cost is the primary determining factor. An RFQ is less restrictive than a Request for Proposals (RFP) and designed to expedite purchases *up to* \$25,000.

2. Formal Bidding

The formal bidding process requires an invitation to Bid, public posting of the Solicitation, sealed Bids, and public disclosure of competition, Contract awards or rejections. LACERA requires formal bids where the purchase value or total Contract value is *over* \$25,000.

a) Request for Bid (RFB)

A Formal Bid used for Goods and Services where cost is the primary determining factor. LACERA uses RFBs for non-complex Services that do not require a complicated evaluation method.

b) Request for Proposal (RFP)

A Formal Bid used when Goods or Services do not have standard Specifications. RFPs are also used when the scope of services is complex and/or require specialized skills or expertise. In addition to cost, RFPs evaluate Vendors' qualifications, experience, technical performance, and service or value-added service component.

c) Request for Information (RFI)

A Formal Bid used to explore available options or solutions for organizational needs. LACERA uses RFIs to obtain additional information about the service or product capabilities before issuing an RFP or RFB. To ensure fairness and equity of opportunity, RFIs must be published. The goal of an RFI is to trim down the final group of Vendors to be included on the RFP or RFB.

3. Bidder's Conference

A Bidder's Conference can be held to allow the Bidders to ask questions and clarify any ambiguities. The questions and answers must be prepared as an Amendment to the Solicitation and sent to all Bidders, whether during a Bidder's Conference, via email, or at any other time prior to the Bid closing date.

V. Purchasing and Contracting Policy (Continued)

Solicitations Requirements for POs and Contracts	
Purchase Value or Total Contract Value	Bid Type
Up to \$5,000	Not Required
Up to \$25,000	At least three written Quotations (RFQ)
Above \$25,000	At least three written Bids or proposals (RFB) or (RFP). The Solicitation document must be published for thirty (30) calendar days.

F. Evaluation Process and Due Diligence

All Bids and proposals must be evaluated against the uniform criteria and process outlined in the Solicitation document. The Solicitation document must provide enough information for the Bidder/Proposer to understand what or how an award will be determined. LACERA staff must use a consistent approach when scoring each proposal.

1. Evaluation Document

The Evaluation Document must explicitly state how each criterion is evaluated and scored. To ensure consistency between the two documents, the Evaluation Document should be developed simultaneously with the Solicitation. In conjunction with the subject matter experts, PMO will develop the Evaluation Document for IT related Solicitations. The subject matter experts, in conjunction with the Contract Unit, will develop the Evaluation Documents for all other Solicitations.

Evaluation Documents may include the following sections:

- a) Minimum Requirements identified in the Solicitation Document. The Vendor must meet every minimum requirement in the Solicitation to move on to the next step in the evaluation process.
- b) Evaluation criteria can include:
 - Vendor’s qualifications: length, scope, and depth of experience, financial capability, certifications, and licensing requirements.
 - Special Terms and Conditions: Ability to meet requirements that are unique to a particular type of Bid.
 - Vendors’ Technical and Management Approach: project methodology, quality of Goods and Services, quality control programs, compliance with regulations, and training plan.

V. Purchasing and Contracting Policy (Continued)

- Pricing/Cost: Is the cost reasonable and competitive?
- Optional Oral Interview/Optional Site Visit.

LACERA reserves the right to award the Contract to the submission that offers the best value, which includes accepting LACERA's Contract terms. Excessive mark-ups or deletion of LACERA's Contract terms may result in disqualification.

2. Evaluation Committee

If an Evaluation Committee is needed, it should consist of all relevant stakeholders and subject matter experts for the service or product being solicited. The size and members of the Evaluation Committee depend on the project's scope, nature, and complexity. The ideal size of the committee will balance subject matter expert representation and workgroup effectiveness.

The Evaluation Committee should be composed of at least one representative from:

- Contracts Unit
- Subject Matter Expert(s)
- PMO (must participate in IT related Bids and proposals)
- InfoSec (if applicable)
- Legal (when exceptions are taken to LACERA's terms and conditions, or anytime legal advisory is otherwise indicated).

The Contracts Unit facilitates and ensures the integrity of the evaluation process. They are responsible for the following:

- Conducting Vendor risk assessment.
- Conducting Vendor reference checks.
- Setting up Bidder's Conference or open house.
- Obtaining SOC-2 Reports and submitting them to the Information Security Office for review and approval (if applicable).
- Guiding the Evaluation Committee Members through the evaluation process.
- Evaluation process management:
 - Developing Solicitations, timelines, and coordinating posting.
 - Coordinating responses to Vendor questions.
 - Summarizing scores, rankings, and evaluation results.

V. Purchasing and Contracting Policy (Continued)

- Obtaining additional information from Vendors.
- Developing approval materials for Management or Boards.
- Collecting and archiving Evaluation Documents from each Committee Member. Sending Bid award/non-award letters to Vendors.
- Responding to any Vendor appeal.

3. The Committee's responsibilities include:

- Evaluation: Committee members must separately evaluate the Bids in their area of expertise and provide documentation to support their evaluation.
- Deliberation: If needed, when the Committee members are evaluating the same part of the Solicitation, the members must hold at least one meeting to discuss the merits of the proposals.
 - Committee members may adjust their scoring after the meeting with sufficient narrative to explain the adjustment.
 - When conducting site visits and/or oral interviews, all Committee members must be present at all events.
- Research: Outside sources may be used to gather information.
- Due Diligence: The Contracts Unit must do reference checks.
 - Finance or other knowledgeable parties can review financial information.
 - Technical staff can review proposal components if necessary and report findings to the committee for their evaluation and ratings.

The Contracts Unit will total and average the final scores of the Committee and prepare a single score sheet for each Bid and proposal. The score sheet must include written documentation of reference checks and financial statement analysis to support the rating in those categories.

4. Third Party Oversight and Risk Management

The Information Security Committee (ISC) oversees service providers that access or maintain personal or sensitive information on behalf of LACERA. The ISC must evaluate new and current Vendors that do not meet all of LACERA's information security requirements and determine if accepting some level of additional risk is in the best interest of LACERA. The ISC must

V. Purchasing and Contracting Policy (Continued)

provide a written explanation of the reasons for permitting Vendor non-compliance with any LACERA Information Security Policy.

G. Legal Review

The Contract is the result of the Solicitation with all the negotiated terms, conditions, the Statement of Work, and any other requirement set forth in the Solicitation document. The Contract Analysts must ensure the Contract satisfies the objectives of Business Owner and LACERA.

The Legal Office must review and approve all Contracts.

Contract Term

Evergreen Contracts are prohibited, unless approved by the Board of Retirement. Contracts shall be limited to a maximum of five (5) consecutive years with an optional extension of up to two years. The Contract term extension must be approved by the Chief Executive Officer and reported to the Operations Oversight Committee prior to the date of the Contract Extension.

Who Can Sign a Contract	
Total Contract Value	Signing Authority
Up to \$ 30,000	Division Manager and Assistant Executive Officer
Up to \$100,000	Deputy Chief Executive Officer or Authorized Designee (Assistant Executive Officers)
Up to \$500,000	Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer)
Exceeds \$500,000	Chief Executive Officer or Authorized Designee (Deputy Chief Executive Officer or Assistant Executive Officer) with Board Approval

H. Contract Lifecycle Management

Onboarding Vendors

The Contract Analysts must ensure that Vendors who are awarded a Contract are registered in the Vendor Portal and have submitted required documents. Required documents include but are not limited to Nondisclosure Agreements, Information Security Reports or Questionnaire, Certificate(s) of Insurance, and Form W-9.

Performance Management

The Business Owner and the Vendor Management Unit are responsible for tracking, monitoring, and managing the Contract progress to ensure that the Vendor meets their contractual obligations.

V. Purchasing and Contracting Policy (Continued)

The Business Owner and Vendor Management Unit's responsibilities include:

- Monitoring Vendor's performance to ensure Goods and/or Services comply with the Contract requirements.
- Resolving performance gaps, invoicing discrepancies, and document resolution.
- Monitoring Contract Invoices, payments, and budget.
- Maintaining Contract files; Certificates of Insurance, Security Audit Reports, or other documentation required under the Contract.
- Managing and mitigating any detected risks, including but not limited to non-performance, performance gaps, invoicing discrepancies, et. al.
- Coordinating Contract Amendments or extensions with LACERA's Legal Office.

Contract Closeout

The Vendor Management Unit must prepare a final Vendor evaluation report. The report must include the following information.

- Whether the Vendor fulfilled their obligations under the Contract.
- Feedback from the Business Owner.

I. Receiving and Paying Invoices

Procurement Staff must check the Invoice against its corresponding PO and delivery receipt. The purchasing, receiving, and payment must be done by three different staff members. The Invoice normally includes an itemized list of items for which the Vendor is requesting payment.

When receiving and paying an Invoice the following must be checked:

- PO number or Contract number.
- Shipping address and date.
- Itemized list of the shipped items or Services rendered.
- Quantity of each item.
- SKU or UPC of each item.

Invoices that cannot be validated with an original PO and/or delivery receipt will be handled as an unauthorized purchase.

J. Payment Request (Direct Payments)

An internal document requesting payment for items already agreed to and negotiated on a Contract or for payments on items that cannot be competitively solicited, including but not limited to governmental fees, conferences, and training. Payment Requests for Goods and Services covered by a Contract must be signed by the Division Manager.

V. Purchasing and Contracting Policy (Continued)

K. Commitment to Transparency

The Vendor Management Unit will provide the Board a monthly report on all contract activity including awards, extensions, and terminations. Vendor Management will also report all expenditures that exceed the original approved project budget.

L. Diversity, Equity, and Inclusion (DEI) Initiative

LACERA is committed to promoting Diversity, Equity, and Inclusion (DEI) in its Procurement practices. We actively seek business relationships with qualified Vendors and individuals from diverse backgrounds including by partnering with the Los Angeles County Community Business Enterprise (CBE) Program.

Vendors doing business with LACERA must complete LACERA's DEI questionnaire and company demographic survey. This data will be used to monitor the success of our DEI efforts.

M. Environmental Awareness

Environmental impact is considered in purchasing decisions, when appropriate. LACERA Purchasing Agents consider the use of Goods and Services that are energy efficient or made from recycled material.

N. Procedures Manual

The Vendor Management Unit shall be responsible for preparing and maintaining a Procedures Manual that details the purchasing process and any delegated duties and defined terminology. The Procedures Manual shall include this Policy and must be approved by the Chief Executive Officer. The procedures may be modified at any time as deemed necessary, provided they remain within this Policy's framework. If there is a conflict between this Policy and the Procedures Manual, the Policy shall prevail.

VI. References

These references are intended to help explain this Policy and are not an all-inclusive list of policies, procedures, laws, and requirements relating to the Procurement of Goods and Services. The following information complements and supplements this Policy:

Related Policies:

- [Code of Ethical Conduct](#)
- [Conflict of Interest Code](#)
- [Corporate Credit Card Policy](#) (Internal Document)
- [Information Technology Coordination Council \(ITCC\) Charter](#) (Internal Document)

Related Procedures:

- [Procurement and Contract Administration Manual](#) (Internal Document)

VI. References (Continued)

Related Forms/Templates: Not Applicable

Other Related Information:

VII. Version History

Update/Review Summary: Previous policy version(s) superseded by this Policy:

- Policy For Purchasing Goods and Services: November 6, 2019

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VIII. Policy Review/Approval

This Policy shall be reviewed by the Operations Oversight Committee, and the Board of Retirement every three years or as needed and may be amended at any time as deemed necessary.