ORANGE COUNTY OCERS EMPLOYEES RETIREMENT SYSTEM

OCERS Board Policy

Procurement and Contracting

I. Purpose and Background

A. Purpose

The Procurement and Contracting Policy (policy) establishes the guidelines by which OCERS will procure goods and services. Investment Management Agreements (as defined below) are exempt from this policy and will instead be governed by the CIO Charter and the Investment Policy Statement.

B. Objectives

The objectives of this policy are to ensure that:

1. Contractual arrangements for the purchase of goods and services are made in a manner consistent with OCERS' fiduciary duty to its members and beneficiaries;
2. The procurement of goods and services is efficient, transparent, economical, fair, and in compliance with all applicable laws;
3. A system of internal controls related to the procurement of goods and services is implemented;
4. All contracting activities are performed by qualified individuals with specifically delegated authority using sound business practices in an ethical manner;
5. The selection of Contractors reflects a level of rigor that is commensurate with the importance and cost of the service or goods in question.

C. Roles and Responsibilities

1. The role of the Board of Retirement (Board), or the Investment Committee if applicable, is to:
    i. Establish appropriate policies to ensure selection decisions are prudent and sound;
    ii. Oversee compliance with such policies;
    iii. Select and terminate Named Service Providers; and
    iv. Authorize staff to execute contracts with Named Service Providers.
2. The role of the Chief Executive Officer (CEO) is to:
    i. Approve the purchase of goods and services for which the CEO is responsible under this policy; and
    ii. Keep the Board apprised of contract actions as necessary for the Board to carry out its oversight function.
3. The role of the Responsible Executive is to:
    i. Approve the purchase of goods and services for which they are responsible under this policy;
    ii. Keep the CEO apprised of all significant contract actions for which the Responsible Executive is responsible;

iii. Ensure that budget authority exists within the budget category from which a contract will be paid;

iv. Select the appropriate procurement process to be used and participate in the preparation of the solicitation documents for the goods and services being procured.

v. Select, or recommend that the CEO select as the case may be, Contractors in the area for which the Responsible Executive is responsible;

vi. Negotiate, or delegate to an appropriate staff member who will negotiate terms and conditions of contracts for the purchase of goods and services for which they are responsible.

4. The role of the Contract Administrator is to:

i. Manage the Contractor files and the lifecycle management system, and ensure compliance with best practices for Contractor management;

ii. Assemble, manage, and distribute all contract solicitations and other contract acquisition efforts;

iii. Maintain appropriate contract and solicitations templates in consultation with the Legal Division;

iv. Assist the Responsible Executive with the selection of Contractors and negotiation of contractual terms;

v. Ensure due diligence is completed in accordance with Section III.E for Contractors with whom OCERS does not have an existing contract;

vi. Review Contractors' certificates of insurance to verify compliance with the contracted requirements for coverage;

vii. Serve as the CEO's designee under the Quiet Period Policy;

viii. Develop (subject to the approval of the Responsible Executive and in consultation with the Legal Division) required and preferred terms and conditions to be included in OCERS contracts;

ix. Ensure all solicitations are reflected in the Quiet Period Report to the Board;

x. Coordinate and oversee the review of Contractors' performance;

xi. Monitor the expiration dates of all contracts to ensure either timely extension of the contract term or timely issuance of contract solicitation

xii. Report to the Board annually all contracts that exceed a Contract Value of $100,000;

xiii. Conduct annual Procurement & Contracting Policy training for team members who have responsibility for purchasing and contracting;

xiv. Ensure contracts comply with the signature requirements set forth in Section IV of this policy; and

xv. Ensure OCERS' contract template is attached to and incorporated into all RFPs.

5. The role of the General Counsel or their designee is to:
    i. Review contracts before execution for compliance with legal requirements and to provide an assessment of risk to the agency;
    ii. Assist the CEO, Responsible Executive, and Contract Administrator in preparing Requests for Proposals, Invitations to Bid, and other solicitations when requested;
    iii. Assist the Responsible Executive and Contract Administrator in the negotiation of contractual terms and conditions when requested; and
    iv. Assist the Contract Administrator in developing necessary and preferred terms and conditions and contract templates.

D. Definitions

1. **Contract Value:** For the purposes of the dollar thresholds in this policy, the value of a contract is the anticipated amount OCERS will be obligated to pay for one year under the contract.
2. **Contractors:** For purposes of this policy, Contractors include providers of services and vendors of goods.
3. **Executive:** The CEO, the Assistant CEOs, the Chief Investment Officer, and the General Counsel.
4. **Investment Management Agreements:** agreements of any kind that evidence and/or govern the investment of OCERS' assets in any investment class. Investment Consultant Agreements are not Investment Management Agreements.
5. **Master Services Agreement**: A contract for goods or services to be provided on an as-needed basis or which may govern future transactions with the vendor is sometimes referred to as a Master Services Agreement. Any statement of work or order made under such contracts will comply with the requirements for contracts of the same value.
6. **Named Service Providers:** The Contractors designated in section V, below.
7. **Non-Routine Items**: expenses that are not regularly purchased or budgeted on an annual basis. Contracts or purchase orders for non-routine items require:
    i. Available funds in the approved budget, including permissible budget transfers under the Budget Approval Policy or Board approved amendments to the budget designated for the goods or services being procured; and
    ii. Approval by the Responsible Executive for where the goods or services are to be paid from for expenditures valued at less than $100,000; or
    iii. Approval by the Board for expenditures valued over $100,000. The Board may approve of the expenditure either as part of the annual budget, budget amendment, annual Strategic and Business Plan or a specific Board approval of the contract or purchase order.

8. **Pre-Qualified Contractors**: Contractors that have been evaluated and selected by OCERS through a publicly advertised competitive search and selection process, and passed a due diligence review.
9. **Responsible Executive**: The Executive who manages the budget category for the funds being committed under the contract.
10. **Routine Items**: expenses that are regularly budgeted on an annual basis. These items include but are not limited to the following:
    i. Office supplies, postage, furniture, office equipment, subscriptions, temporary services, professional and consulting services engaged to supplement or support staff, software and cloud services; and
    ii. General services contracts and agreements such as hearing officers, medical panel reviewers, property management, maintenance and repair of landscaping, building, and equipment, printing, Board of Retirement elections, computer consulting, software licenses, messenger services, catering, etc.

Contracts or purchase orders for Routine Items require:

    iii. Available funds in the approved budget, including any Board approved amendments to the budget.
    iv. Approval by the Responsible Executive

11. **Time and Material (T&M) Contracts**: agreements with Contractors where the value of the contract is variable based on the time and material costs of the Contractor. In these types of contracts, if the contract does not include a specified not-to-exceed dollar amount, the Contract Value will be limited by the available budget for the goods or services.

12. **Total Contract Value:** the sum of all Contract Values that, when the contract is entered, is anticipated to be the amount OCERS will be obligated to pay over the entire term of the contract.

13. **Unilateral Contract:** a contract that is used to pay for critical, ongoing services provided by exclusive entities that will not sign an OCERS-written contract. Unilateral Contracts are not subject to OCERS' standard procurement practices. The following are permissible Unilateral Contracts:
    i. Utility services: electric, gas, water, telephone
    ii. Cable/Satellite companies
    iii. US Postal Service
    iv. Memberships in associations formed for a purpose directly related to the primary work of OCERS

14. **Written Agreement**: a document that is a legally binding contract between OCERS and another party(s) regarding the buying and selling of goods or services. Examples include but are not limited to: a contract, sale or lease agreement, bill of sale, purchase order, or

memorandum of understanding. Reference to a written agreement means a contract that has been reduced to writing, regardless of format or label.

II. Provisions Applicable to All Contracts

A. Contracting Philosophy

1. OCERS will consider as broad a universe of qualified Contractors as is practical and reasonable given budgetary, staffing, time, and other relevant constraints and considerations.
2. The search, selection, monitoring, and reporting provisions contained in this policy serve as minimum requirements. If more stringent requirements are established under the law or within other policies of OCERS, the law, and such other policies will control.
3. Consistent with Title 2, Division 6, Chapter 7 of the California Code of Regulations, §§ 18700-18720, no OCERS Board Member or staff will be directly or indirectly involved in an OCERS contracting decision if the decision will have a material financial effect on an economic interest of the Board Member, staff person, or the immediate family of the Board Member or staff person.
4. OCERS values diversity and inclusion and is committed to fostering diversity in its procurement process through outreach to small and diverse businesses. In the distribution and publication of solicitations, OCERS will endeavour to reach beyond traditional sources and list opportunities in locations that will notify a diverse audience of Contractors.
5. A Written Agreement is required when:
   i. Services valued over $1,000, and the delivery of services will span a duration of more than one year; or
   ii. Goods purchased with a value greater than $1,000
6. Contracts shall not be split to avoid approval by the Board or to bypass competitive search and selection requirements.

B. Authority for Entering Into Contracts.

1. Before entering into any contract for goods or services, OCERS must have available funds in the current year's approved budget, including any Board approved amendments to the budget, to fund the current year's expense or Contract Value.
2. Only the Responsible Executive or their designee may bind or commit OCERS for the purchase of goods or services as set forth in this policy, except in emergencies and as may be otherwise authorized by the Board.
3. An emergency is any circumstance that would interfere with OCERS' ability to meet its fiduciary obligations, threaten the health and safety of its staff, or compromise its legal rights or remedies. If a contract is needed as the result of an emergency, report of the contract will be made to the Responsible Executive or to the Board whose authorization is normally required for such contract as soon as practicable.

4. The CEO may delegate their authority to execute documents to an Executive.
5. A Responsible Executive may delegate their authority to approve check requests, invoices and/or purchase requisitions.
6. All delegations will be documented in writing, identifying the individual to whom the authority is delegated and any dollar restriction or budget account restrictions associated therewith.
7. Contracts will be routed to the Responsible Executive for signature. The submission will include a certification by both the Contracts Administrator and the staff member who originated the contract certifying compliance of the contract with the provisions of this policy.
8. After the Responsible Executive signs the contract it will be routed for the second Executive signature when required.

C. **Contract Amendments**

1. Contract Amendments that increase Contract Value are permissible under the following circumstances:
    i. The need for services could not be accurately projected and the increase does not justify rebidding
    ii. To cover services already provided in the scope of work or additional services similar to those already provided in the scope of work set forth in the contract
    iii. Special economic factors that justify a contract increase
    iv. An emergency exists which does not permit rebidding
2. Contract Value may be increased up to twenty-five percent (25%) of the original Contract Value or $100,000, whichever is less.
3. For contracts that span over multiple years, the Total Contract Value may be increased up to twenty-five percent (25%) or $200,000 whichever is less.
4. Contract amendments have the signature requirements of the Total Contract Value for the purpose of determining signing authority.
5. A full due diligence review is not required for Contract Amendments.
6. If an amendment is determined to be in the best interest of OCERS and will exceed the limitations in sections II.C.2 and II.C.3, justification must be documented and CEO approval is required.
7. Exemptions: Amendments to Unilateral Contracts or subscriptions, cloud services, or license agreements for the purpose of increasing the number of users required to meet OCERS operational needs are not limited as prescribed in section II.C.1. However, approved budget funds must be available in the designated budget category.

D. **Contract Term**

1. Contract terms will not exceed six (6) years
2. Ongoing subscriptions or licenses will be reviewed at least every six (6) years
3. The Legal department must review renewal documents.
4. Board of Retirement approval is required to extend a contract term beyond a total of six years without a new competitive search and selection process, with the exception of Unilateral Contracts

E. **Performance Reviews**

1. The Contract Administrator will coordinate evaluations of Contractors.
2. The performance of Named Service Providers and Contractors with Contract Values that exceed $100,000 will be reviewed at least every three years. In addition, at least six months before the expiration of the initial term of a contract with a Named Service Provider and Contract Value over $100,000, the continued appropriateness and cost-effectiveness of the Contractor will be assessed. For contracts with Named Service Providers, the CEO, the Board or the pertinent committee of the Board, or their designee will make the performance review and assessment. For Contract Values over $100,000, the CEO (or his/her designee) will make the performance review and assessment.

   The results of performance reviews of Named Service Providers will be summarized and reported to the Board.

III. Search and Selection Process

A. Competitive Search and Selection Process

Where a competitive search and selection process is required under this policy, the Responsible Executive will use one of the following procurement methods.

1. Invitation for Bid (IFB):
   i. This method will be used when multiple bidders are available and willing to bid, and procurement needs can be stated in detail, with precision, or where services or products are standardized.
   ii. The IFB process requires the evaluation of price, delivery and payment terms, and compliance with technical standards. The bid that provides the best pricing and delivery and payment terms will be selected.
   iii. The bids may be reviewed by a minimum of three OCERS staff members to identify the bidder who provides the best value to OCERS.
2. Request for Proposal (RFP)
   i. This method will be used where the product or service to be acquired cannot be stated with specificity (such as consulting services) or where OCERS may seek to evaluate a number of different types of professional services or products.

ii. The proposal that best meets OCERS' needs, with consideration for price, qualifications, and other relevant factors set forth in the RFP, will be selected.

iii. This method will be used in most circumstances where the Contract Value exceeds $100,000 or Master Service Agreements.

3. Request for Qualifications (RFQ)

i. A solicitation that describes the product, project, or services required and solicits qualifications from potential Contractors for purposes of evaluating those qualifications for screening, pre-qualifying, or for an award of contract.

ii. This method will be used where:

a. The available specifications or description of the product, project, or service to be acquired are not sufficiently complete without further technical evaluations and discussions between the Contractor and OCERS, or

b. OCERS has a business need to have one or multiple Pre-Qualified Contractors within a designated field of work (i.e. information technology support), a Master Services Agreement will be used with specific scopes of work developed on an as-needed basis. Use of a Pre-Qualified Contractor will be based on the best interest and needs of OCERS.

4. Small Purchase Procedure

i. Where the Contract Value is at least $1,000 but less than $50,000, the selection of Contractors will be based on a less formal competitive process resulting in a minimum of one written or oral quote from a qualified source. Quotes can be obtained from means such as websites, email, catalogs, price lists, and letters.

ii. Where the Contract Value is $50,000 or more but less than $100,000, the selection of Contractors will be based on a less formal competitive process resulting in a minimum of three quotes from qualified sources. Quotes can be obtained from means such as websites, email, catalogs, price lists, and letters. If three qualified sources cannot be reasonably identified, then the Responsible Executive may authorize the use of a selected vendor based on the best interest and needs of OCERS.

5. Process for Receiving Bids in Response to an RFP, IFB and RFQ

i. The period for submitting bids in response to an RFP, IFB and RFQ will be at least fifteen (15) days from the date the RFP, IFB or RFQ is issued. All RFPs, IFBs and RFQs will be issued on OCERS' bidding system. A link to the bidding system will be posted on OCERS' website and notification may be given to entities that OCERS identifies as likely to be interested.

ii. The Contract Administrator or their designee will answer questions from any bidder or potential bidder, and all answers provided to any bidder will be made available to all bidders through OCERS' bidding system.

iii. Best efforts will be made to have at least three OCERS personnel review the bids and recommend finalists. Best efforts will be made to include at least one representative

from a department other than the one that has authority over the contract. In the case where external expertise is used to review the bids, at least one reviewer must be an OCERS employee.

6. Request for Information (RFI)

   i. A solicitation used when OCERS does not intend to award a contract, but needs to obtain price, delivery, other market information, or capabilities for planning purposes. Responses to RFI notices are not offers and cannot be accepted by OCERS to form a binding contract.

   ii. An RFI may precede an RFP or RFQ. The RFI is a way to find interested vendors and service providers and is generally in the format of a business letter, clearly identifying the needs or services OCERS desires to obtain. An RFI could contain some of the following:

      1. Description of the goods or services being requested, and if applicable, the target population to be served;
      2. Term of a potential contract;
      3. Deadline for submitting a response to the RFI;
      4. Contact information for responding to the RFI Letter;

7. Exceptions

   i. In cases where an RFP, IFB or RFQ is required, but the Responsible Executive deems the defined search and selection process will not be of benefit, the Responsible Executive or designee will provide a report to the CEO, detailing the reasons why the required search and selection process is not beneficial along with a description of an alternative search and selection process that does not restrict open and fair competition to be used.

   ii. The CEO must approve the alternative search and selection process prior to selecting a Contractor.

   iii. In cases where OCERS has purchased equipment, software and operating systems for its use in compliance with this policy, procurement of the continuing maintenance, and upgrades of the software and operating systems from the developer, manufacturer or authorized reseller does not require a separate competitive procurement

B. Contracted Suppliers

Where a Contractor has been selected by OCERS pursuant to a competitive search and selection process or by the County of Orange or other governmental agency pursuant to a competitive search and selection process, the Contractor may be used as a Contracted Supplier under certain circumstances as set forth in this policy. Such Contracted Suppliers may include, by way of example, retail sellers of off-the-shelf office supplies contracted by the County of Orange or directly by OCERS.

C. Sole Source

A sole source approach may be permitted under the following circumstances:

1. In cases where a competitive search and selection process will not likely yield a viable alternative to a known service provider; or
2. Where legal services are urgently needed, a competitive search and selection process will not be timely, and a known Contractor exists.

A written report describing the unique characteristics of the situation, the known Contractor, whether OCERS has contracted with this Contractor within the last five years, sound justification for a sole source approach and explanation of how prices or fees compare to the general market for comparable services or supplies will be provided to the Contract Administrator and the Executive who will either approve or deny the request to use a sole source approach in writing

Executives who wish to use a sole source approach will provide the report to the Contract Administrator and the CEO, who will either approve or deny the request. When the CEO is the Responsible Executive, the report will be provided to the Contract Administrator, the Board Chair and Vice-Chair who will either approve or deny the request to use a sole source approach. All sole source contracts (whether approved by the CEO or the Board Chair and Vice-Chair and regardless of Contract Value) will be reported to the Board at its next regular meeting. Sole Source contracts with a Contract Value of $100,000 or more require Board approval.

D. Technology Purchases and Leases

1. Include any information technology-related hardware, software, licenses, subscriptions, services, and/or consulting;
2. Must be initiated and processed with the full knowledge, direction, and approval of OCERS' Director of Information Technology, regardless of cost, to ensure compatibility with OCERS' current technology environment, and
3. Require an information security due diligence review that includes a review of the Contractor's service and organizational controls (i.e. SOC-2 report), if applicable, as well as a review and analysis of whether the purchase complies with OCERS' information security policies and controls. Information security due diligence will be completed by the Director of Information Security or their designee.

E. Exclusions

Notwithstanding any other provision in this policy, Contractor back-fill or temporary help for staff augmentation does not require Board approval or compliance with this policy as long as budgetary amounts are available for individual temporary help or contractor positions.

F. Due Diligence

1. Before awarding a contract, the Contract Administrator will conduct due diligence of any bidder selected to ensure that the bidder:
    i. Meets all minimum qualifications set forth in the solicitation document; and
    ii. Meets all other standards which, in the exercise of sound business judgment, are required of the Contractor.

2. If a selected bidder is disqualified as a result of the due diligence process, the reason for the disqualification will be documented and forwarded to the Responsible Executive for confirmation.

3. For certain critical Information Technology Contractors, SOC2 reports will be requested during the due diligence process. These reports will then be requested from the Contractor annually to ensure proper Information Technology and security controls are in place.

IV. Contract Guidelines Summary

Estimated Contract Value[1] or **Type of Contractor**	**Approver**	**Signatory**	**Procurement Requirements** [2]*
Named Service Provider	Board of Retirement or represented committee	CEO (or CIO on Investment-related contracts) +1 Executive	IFB or RFP
Sole Source > $100,00	Board of Retirement or represented committee	CEO (or CIO on Investment-related contracts) +1 Executive	Sole Source
$100,000 or More	CEO	CEO (or CIO on Investment-related contracts) +1 Executive	IFB, RFP, RFQ or Contracted Supplier
$1,000 to $99,999	Responsible Executive	Responsible Executive + 1 Executive, Director or Manager	IFB, RFP, RFQ, Small Purchase Procedure, or Contracted Supplier
Under $1,000	Responsible Executive or designee	Responsible Executive or designee	Small Purchase Procedure, Contracted Supplier

[1] Refers to the value of the contract or the value of a new statement of work or new order under an existing contract.

[2] See section III.C for Sole Source requirements

V. Contracts with Named Service Providers

Contracts with Named Service Providers will comply with the requirements of this section.

A. Designation of Named Service Providers

The following service providers are designated as Named Service Providers:

1. Consulting actuary;
2. Actuarial auditor;
3. General investment consultant;
4. Alternative investments consultant;
5. Fiduciary counsel;
6. Custodial Bank;
7. Financial auditor; and
8. Any additional consultant not named above but which the Board may, from time to time, designate.

B. Search and Selection Process

1. At least six months before the expiration of the final extension of a contract with a Named Service Provider, or upon direction of the Board following the review of the performance of the Named Service Provider, the CEO will conduct a competitive search and selection process for a Named Service Provider.
2. Prior to conducting a search for a Named Service Provider, the CEO or his designee will present a written summary to the Board or representative Committee, which will include:
    i. The type of service provider being sought and the supporting rationale;
    ii. The objectives and selection criteria to be met and their relative importance;
    iii. An estimated timeline for completion of the search process; and
    iv. A description of the search methodology that is deemed most appropriate and cost effective in the particular circumstances, and that addresses such issues as:
        a. What method of competitive search and selection process will be used;
        b. Whether a consultant is to be used to assist with the search process;
        c. The due diligence efforts to be undertaken, including such efforts as site visits, and reference checks;
        d. Such other information that the CEO believes may assist the Board in better understanding the search process.
3. The CEO will provide the Board (or a designated committee of the Board) with periodic reports on the status of all search processes involving Named Service Providers.

4. Upon completion of the analysis and due diligence involved in a search process for a Named Service Provider, the CEO will provide the Board (or a designated committee of the Board) with a written report containing, at a minimum:
    i. A description of the due diligence activities undertaken;
    i. The recommended finalist(s) and analysis of the recommendation;
    ii. Confirmation of compliance with the objectives, selection criteria and search methodology presented to the Board prior to the commencement of the search, or an explanation of any deviations that occurred;
    iii. A description of performance expectations and the proper time horizon for evaluation of results;
    iv. A bid (pricing) summary with annotations regarding differentiating features; and
    v. A description of the expected performance monitoring and reporting efforts to be carried out with respect to the Named Service Provider throughout the term of the contract, including the reporting to be provided to the Board.
5. The Board (or a designated committee of the Board) will interview the candidate or candidates recommended for appointment as a Named Service Provider. If a committee reviews the candidates, the committee will recommend to the Board the appointment of the Named Service Provider. If the Board interviews the candidates, the Board itself will decide on the appointment.
6. Upon selection of the candidate, the CEO (or their designee) will negotiate a final contract with the selected Named Service Provider, consistent with the terms of the contract solicitation, this policy, and any other direction from the Board. If, at any time during the negotiations, the CEO determines that there is an impasse in negotiations, they may recommend to the Board that the Board select an alternate bidder for the Named Service Provider.

C. Approval and Execution

Upon completion of negotiations with a Named Service Provider, the CEO or their designee will inform the Board of the general contract terms and conditions that have been negotiated. Contracts with Named Service Providers must be executed by the CEO and one other Executive.

D. Reports

1. The CEO will report promptly to the Board any failures by a Named Service Provider to comply with the terms of their contract.
2. At least annually, the CEO will provide the Board a schedule of the contracts with Named Service Providers due for renewal and those whose terms will expire in the coming year.
3. The CEO will report regularly and in a timely fashion to the Board on all monitoring efforts involving Named Services Providers, identifying any material issues and actions taken in response.

VI. Contracts with Contract Value of $100,000 or More

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value exceeds $100,000 will comply with the requirements of this section.

A. Review and Renewal

1. At least six months before the expiration of the term of a contract with a Contract Value over $100,000, the CEO (or their designee) will assess the continued appropriateness and cost-effectiveness of the Contractor in question.
2. Upon recommendation of the Responsible Executive (or their designee), the CEO will: 1) extend the term of the contract up to the maximum total term of six years; 2) direct the Responsible Executive (or their designee) to conduct a new search and selection process; or 3) determine that the goods or services are no longer necessary.

B. Search and Selection Process

1. Contracts for goods or services for which the Contract Value exceeds $100,000, require a competitive search and selection process (See Section IV for procurement requirements).
2. Upon completion of a competitive search and selection process, a written report will be provided to the CEO or their designee and will include at a minimum:
    i. Purpose and need for the goods or services being procured;
    ii. A description of the procurement process and due diligence activities undertaken; and
    iii. The recommended finalist and analysis concerning the candidates.
3. Upon the CEO's, or their designee's approval of the candidate, the Responsible Executive (or their designee) will negotiate a final contract, consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, they may recommend to the CEO that the CEO select an alternate candidate.

C. Approval and Execution

1. Contracts for goods or services with a Contract Value that exceeds $100,000 must be executed by the CEO and one other Executive.
2. For contracts relating to Routine and Non-Routine Items, Board authorization of the expenditure may be acquired through either the budgeting process or the annual Strategic and Business Plan.

VII. Contracts with Contract Value Between $1,000-$99,999.99

Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value that is at least $1,000 but less than $100,000 will comply with the requirements of this section.

A. Search and Selection Process

1. Contracts for goods or services, excluding contracts with Named Service Providers, with a Contract Value of at least $1,000 but less than $100,000, the Executive Responsible will require a competitive search and selection process. (See Section IV for procurement requirements).
2. Upon selection of the candidate, the Responsible Executive (or their designee) will negotiate a final contract consistent with the terms of the contract solicitation, this policy, and direction from the CEO. If, at any time during the negotiations, the Responsible Executive determines that there is an impasse in negotiations, they may select an alternate candidate.

B. Approval and Execution

1. Upon completion of negotiations, the Responsible Executive will approve the contract.
2. Any contract under this provision must be executed by at least two Executives.

VIII. Contracts with Contract Value Less than $1,000

Contracts for goods or services, excluding contracts with Named Service Providers, for which the Contract Value is less than $1,000 will comply with the requirements of this section.

A. Search and Selection Process

The Responsible Executive may enter into a contract with any qualified Contractor that the Responsible Executive determines is in the best interest of OCERS. Alternatively, the Responsible Executive may choose to use a competitive search and selection process if they determine it is in the best interest of OCERS.

Policy Review and History

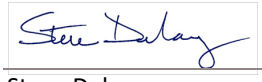
A. The Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

B. The Board adopted this policy on Monday, April 17, 2023.

C. This policy was revised May 19, 2008, March 22, 2010, May 20, 2013, January 20, 2015, October 15, 2018, November 2021, April 2023, and October 20, 2025.

Secretary's Certificate

I, the undersigned, the duly appointed Secretary of the Orange County Employees Retirement System, hereby certify the adoption of this policy.



Steve Delaney
Secretary of the Board

10/20/2025

Date: