



**DEPARTMENT OF MENTAL HEALTH
POLICY/PROCEDURE**

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SOLE SOURCE CONTRACTING	1001.01	03/01/1995	1 of 3
APPROVED BY: Original signed by: ARETA CROWELL Director	SUPERSEDES 110.2 03/01/1995	ORIGINAL ISSUE DATE 11/01/1990	DISTRIBUTION LEVEL(S) 1

PURPOSE

1.1 To provide guidelines for sole source contracting when the competitive contracting process is neither practical nor feasible.

POLICY

2.1 Formal bids shall be the preferred method of purchase for all goods, services and leases, with at least three competitive bids solicited wherever applicable. The Department of Mental Health (DMH), in accordance with all applicable County policies and procedures, may contract with qualified mental health providers on the basis of a sole source selection, if the competitive contracting process is determined to be neither practical nor feasible.

2.2 MONOPOLY: Purchase may be made without bidding when the item to be purchased can be obtained from only one source and the item is one which does not economically lend itself to substitution. A monopoly is defined as “exclusive control of the supply of any commodity in a given market.” If there exists more than one manufacture/source in a given market, a monopoly does not exist. A pure monopoly properly documented establishing clear evidence that only one source exists may not have to be processed on a competitive bid basis.

PROCEDURE

3.1 The Los Angeles County Code prescribes the formal competitive bid as the means to effect a purchase or service, unless sound and substantial justification directs otherwise. Further, the County Code prescribes that when such purchases exceed \$5,000, they must be itemized and reported to the Board of Supervisors, including reasons therefor. All requests for sole source selection shall be justified in writing by any/all of the following situations:

3.1.1 The service is unique to one source.



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3.1.1.1 When preparing a “monopoly/sole source” justification, please address the following:

- 1) What basis was used to determine that this requirement is available from only one source? What basis was used to determine reasonableness of price?
- 2) Why does this requirement not lend itself to substitution?
- 3) What specific efforts have been made to determine if there is not other equipment, manufacturers, service providers able to satisfy this requirement? If applicable, please provide information on firms or service providers contacted including: firm name, date contacted, person contacted, reason they cannot comply. Provide copies of any written responses to your inquiries, including price quotation.

3.1.2 Only one source is available.

3.1.3 Funding will be available for only a very limited time - and it is important to commence (or complete) service delivery - so there is inadequate time in which to use the competitive contracting process.

3.1.4 A small amount of funding is involved, and it does not warrant the expense which would be incurred to conduct a competitive process.

3.1.5 The contractor has provided the services previously and there is no compelling reason to change.

3.2 The appropriate Deputy Director will be authorized by the Director of Mental Health to request the sole source selection of a contract provider.

3.3 All requests for the sole source selection of a contract provider shall be reviewed and approved by the Chief Deputy Director as a prerequisite for approval by the Director of Mental Health.



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- 3.4 The Director of Mental Health shall approve all recommendations of contracts to be awarded on the basis of a sole source selection.
- 3.5 The letter to the Board of Supervisors shall include a statement describing the justification for sole source contracting.

AUTHORITY

Los Angeles County Ordinance, Chapter 2.150