

CALIFORNIA AGENTS AND HEALTH INSURANCE PROFESSIONALS POLICY & PROCEDURES

POLICY TITLE: Competitive Bidding

POLICY NUMBER: 1007

DEPARTMENT COORDINATOR: Executive: Audit Committee

DATE SUBMITTED (Initial): 6-11-10

DATE APPROVED (Initial): 6-11-10

AMMENDED/APPROVED: CAHIP Board October 15, 2024)

REVIEW DATE: 2027

PURPOSE: To create a bidding process for services and supplies that is transparent and fair to both CAHIP and its vendors. This committee will make a recommendation to the Board of Directors (BOD) as to whether a contract should be negotiated with the vendor currently contracted to CAHIP or whether bids should be requested from additional parties.

POLICY:

1) Six months in advance of the scheduled termination of an existing service or supplies contract, an Audit Committee may be created.

i) The committee will determine the nature and process of the audit.

ii) The committee will follow the rules of conduct as in Roberts Rules of Order.

2) Three to four months before the termination of the contract, the Audit Committee will report back to the board its decision as to whether negotiations should begin with the existing contract holder or whether the committee should seek bids from other potential vendors.

i) The Audit Committee is required to provide a written report of the rationale behind its recommendation.

ii) Members of the Audit Committee not in agreement with the majority have the right to write and release to the BOD a minority opinion.

iii) Committee members will share meeting minutes or recordings.

3) The CAHIP Board of Directors will vote to approve the audit committee's recommendation

Audit Committee Actions Following The Board of Directors Vote:

	Audit Committee Recommends No Bidding	Audit Committee Recommends Go To Bid
BOD Agrees	1) Audit Committee will begin good faith negotiations with the current vendor if/when requested by the BOD	3) Audit Committee will begin the bidding process as described in #2.
BOD Disagrees	2) The Audit Committee will determine the scope and nature of the RFP and will undertake all necessary steps that the committee sees as appropriate to complete the task in the best interest of the association as determined by BOD. The existing contract holder will be invited to submit an RFP if they chose to do so.	4) Audit Committee will begin good faith negotiations with the existing contract holder vendor if/when requested by the BOD.