

COUNTY OF EL DORADO
CHIEF ADMINISTRATIVE OFFICE
INTERDEPARTMENT MEMORANDUM

TO: Board of Supervisors

FROM: Laura S. Gill, Chief Administrative Officer

DATE: February 22, 2012

SUBJECT: Revisions to Board of Supervisors Policy C-17-Procurement Policy

Recommendation: I recommend revisions to the Procurement Policy regarding contract amendments, review of contracts for services exceeding \$100,000, advertisement and award of bids, delegation of authority for purchases, and contracts with legislative advocates.

Reason for Recommendation:

The revisions discussed below relating to contract amendments, review of contracts exceeding \$100,000, advertising of bids, and delegation of authority for purchases are recommended in order to increase efficiencies in the procurement and contracting processes. The revision relating the award of bids is recommended to clarify the Purchasing Agent's authority with regard to bids received from non-responsible bidders.

Contract Amendments:

In March, Section 7.4.2 was added to the policy, requiring the Purchasing Agent to review every contract amendment request and provide written findings of appropriateness for each such amendment. The requirement for the Purchasing Agent to personally provide this level of detailed review for *every* proposed contract amendment has proven to be a burden on the contracting process. I recommend adding language to this section that would allow a designee of the Purchasing Agent to evaluate and approve proposed contract amendments. This allows this work to be distributed among the Procurement and Contracts staff as deemed appropriate by the Purchasing Agent, which will expedite the processing of such requests.

Review of Contracts Exceeding \$100,000:

Section 7.10 requires that the Purchasing Agent review the selection process for a contract when an amendment is contemplated that causes that contract to exceed \$100,000. If appropriate, the Purchasing Agent then may require an outside review of the contract's scope of services contractor's qualifications. I recommend adding language to this section allowing a designee of the Purchasing Agent to perform these functions for the same reasons outlined above regarding Section 7.4.2.

Advertisement of Bids:

Section 3.0 defines "formal bid" as:

the competitive process in which the request for bid for product or services is circulated to all vendors on an established bidders list for that commodity maintained by the Purchasing Agent, advertised in a newspaper, and received sealed and in writing by a stated deadline.

I recommend deleting the words “advertised in a newspaper” and adding the words “posted publicly”. This change will provide the Purchasing Agent with flexibility in selecting the best advertising venue for each bid, save money on newspaper advertising, and shorten the processing time for formal bids by cutting out delays due to newspaper deadlines. All bids will, at a minimum, be posted on the County’s website.

Award of Bids:

Section 5.0 includes language allowing the Purchasing Agent to reject any informal or formal bid which contains omissions, errors, or irregularities which render the bid non-responsive. However, it does not specifically authorize the Purchasing Agent to reject a bid when the determination has been made, based on references or other pertinent information, that the bidder is not responsible. I recommend adding language which authorizes the Purchasing Agent to reject bids from non-responsible bidders.

Delegation of Authority:

Section 5.0 authorizes the Purchasing Agent to delegate to departments authority to purchase goods with the concurrence of the Chief Administrative Officer. The standard delegated authority is set at \$3,000. This is also the threshold for the informal bid process. I recommend that the standard delegated authority be increased to \$5,000.

Since the adoption of the procurement policy on October 11, 2006, the procurement division has issued 153 purchase orders between \$3,000.00 and \$5,000.00. There is no value added in engaging a competitive process for low dollar purchases. The cost of procurement and departmental staff resources to engage in a competitive process often exceeds the value of the actual cost savings. Increased delegated authority for departments to make small dollar purchases absent Purchasing Agent approval expedites purchases for departments and allows procurement staff to add value by focusing on larger dollar purchases that are more significant in nature.

Contracts with Legislative Advocates:

Section 7.1.1 has been added pursuant to Board direction, to require that any contract with a lobbying firm or individual contract lobbyist as defined by Government Code be approved by the Board, regardless of the amount of the contract. As long as the firm or individual meets the definition provided in Government Code, Board approval is required, regardless of whether the firm or individual is actually providing legislative advocacy services.

Fiscal Impact: None

Action to be Taken Following Approval: The revised policy will be posted to the internet.