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Title: Chief Administrative Office recommending the Board suspend a portion of Section 5.4.2 of Board of Supervisors Policy C-17 Procurement that requires creation of a purchase order for purchases that are within a department's authority and between \$500 and \$5,000, in preparation for implementation of the County's new enterprise resource planning system.

FUNDING: N/A

Sponsors:

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8/29/2017	1	Board of Supervisors	Approved	Pass

Chief Administrative Office recommending the Board suspend a portion of Section 5.4.2 of Board of Supervisors Policy C-17 Procurement that requires creation of a purchase order for purchases that are within a department's authority and between \$500 and \$5,000, in preparation for implementation of the County's new enterprise resource planning system.

FUNDING: N/A

DEPARTMENT RECOMMENDATION

Chief Administrative Office recommending the Board of Supervisors suspend a portion of Section 5.4.2 of Board of Supervisors Policy C-17 Procurement that requires creation of a purchase order for purchases that are within a department's authority and between \$500 and \$5,000, in preparation for implementation of the County's new enterprise resource planning (ERP) system.

BACKGROUND/REASON FOR RECOMMENDATION

Board of Supervisors Policy C - 17 Procurement requires departments to enter purchase orders in the County's purchasing system for orders that are within the department's authority, even when a vendor does not require a purchase order. The policy was written this way due to a system limitation that does not provide for tracking of commodity utilization at the time of invoice payment. Procurement and Contracts relies on commodity utilization information to determine when competitive bidding may be required for a commodity.

One of the efficiencies of the new ERP system is the ability to enter commodity information at the time of invoice payment, eliminating the need for a purchase order to be entered solely for commodity-tracking purposes. There are several instances in which the new ERP system will provide efficiencies that will require revisions to the Purchasing Ordinance and Policy. The Procurement and Contracts Division has been working to identify and draft these revisions throughout the ERP development and testing process, and will bring those forward to the Board this

Fall. This request comes before the rest of the revisions so that departments can begin to prepare for go-live of the new system. This allows departments to begin adjusting their business processes to eliminate this superfluous step and will greatly reduce the number of purchase orders that exist in the old system when the new system is implemented.

Procurement and Contracts has determined that the loss of commodity utilization data for this brief period of time will not have a negative impact on the Division's ability to determine when competitive bidding is required.

The current policy language is provided below, with the language that is proposed for suspension in italic:

5.4.2 Purchases Greater Than \$500 and Not Exceeding \$5,000

No competitive process is required for purchases of supplies, goods, materials, furnishings and other personal property at this level. A purchase order is not required for the purpose of placing the order with the vendor. *However for purchases at this level, a direct purchase order must be recorded in the procurement system for tracking purposes. The purchase order should accurately reflect all terms and conditions of the purchase.*

A copy of the purchase order shall be retained on file in the office of the Purchasing Agent.

ALTERNATIVES

Not suspending the language would result in departments continuing to follow the policy as written.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

FINANCIAL IMPACT

N/A

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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