



ADAMS COUNTY

COLORADO
BOARD OF COUNTY COMMISSIONERS

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STUDY SESSION AGENDA
TUESDAY
February 5, 2019

ALL TIMES LISTED ON THIS AGENDA ARE SUBJECT TO CHANGE

10:00 A.M.	ATTENDEE(S):	Adam Burg
	ITEM:	Legislative Update
10:30 A.M.	ATTENDEE(S):	Ben Dahlman / Susan Borup / Kim Roland
	ITEM:	Purchasing Policy 1010
11:00 A.M.	ATTENDEE(S):	Raymond Gonzales
	ITEM:	Administrative Item Review / Commissioners Communication

(AND SUCH OTHER MATTERS OF PUBLIC BUSINESS WHICH MAY ARISE)

AGENDA IS SUBJECT TO CHANGE



STUDY SESSION AGENDA ITEM

DATE:	February 5, 2019
SUBJECT:	Purchasing Policy 1010
FROM:	Ben Dahlman Finance Director, Susan Borup Deputy Finance Director, Kim Roland Procurement & Contracts Manager
AGENCY/DEPARTMENT:	Finance Department
ATTENDEES:	Ben Dahlman, Susan Borup, Kim Roland
PURPOSE OF ITEM:	Present Recommended Changes to Approval Authorization Levels in Purchasing Policy 1010
STAFF RECOMMENDATION:	To Review Purchasing Policy 1010 and Recommend Changes to Approval Thresholds

BACKGROUND:

The Adams County Board of Commissioners (BOCC) establishes the maximum approval levels for the procurement of commodities and services. Elected Officials, Department Directors and County Managers may conduct purchasing transactions in accordance with Adams County's various purchasing policies and procedures within these approval limits. The Finance Department is proposing revisions to the policy.

Internal and External Auditors have noted changes to the procurement approval levels that the County should consider.

This Study Session Presentation will discuss several Scenarios for consideration and direction.

AGENCIES, DEPARTMENTS OR OTHER OFFICES INVOLVED:

ATTACHED DOCUMENTS:

Presentation of Scenarios and Recommendations

FISCAL IMPACT:

Please check if there is no fiscal impact . If there is fiscal impact, please fully complete the section below.

Fund:

Cost Center:

	Object Account	Subledger	Amount
Current Budgeted Revenue:			
Additional Revenue not included in Current Budget:			
Total Revenues:			<hr/>

	Object Account	Subledger	Amount
Current Budgeted Operating Expenditure:			
Add'l Operating Expenditure not included in Current Budget:			
Current Budgeted Capital Expenditure:			
Add'l Capital Expenditure not included in Current Budget:			
Total Expenditures:			<hr/>

New FTEs requested: YES NO

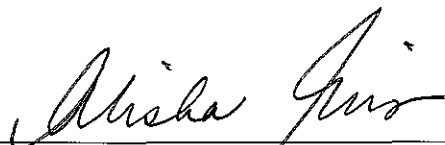
Future Amendment Needed: YES NO

Additional Note:

APPROVAL SIGNATURES:




Raymond H. Gonzales, County Manager



Alisha Reis, Deputy County Manager

Bryan Ostler, Deputy County Manager

APPROVAL OF FISCAL IMPACT:



Budget / Finance



Purchasing Policies & Procedures Manual

Approval Authorization Levels for Purchasing Transactions Policy #1010

Authorization Level Considerations

- Policy requires review every 3 years
 - Last update in 2014
- Auditor recommendations

“The County may consider reexamining its purchasing approval authority limits in order to align the stringency of approval requirements with the magnitude of the project. Efficiency and effectiveness of county staff and the BOCC may be inhibited if authority limits are too low. Consideration could be given to budget line items to extend these limits or a range of limits to seek a reduced burden of approval when construction projects are in process.”

Additional Considerations

- Other entities also seeking similar authorization levels
- Changes to Federal Guidelines
- Centralized Purchasing – Policies & Procedures Manual
- Pre-Approved Budget – BOCC approves annually
- Checks & balances maintained through levels of leadership

Other Entities as Researched by Jefferson County

COLORADO ENTITY	Award by Board (or equivalent)	Award by County Manager (or equivalent)	Award by Other (or designee)	Comments
Adams County	≥ \$100,000	\$50,000-99,999	\$25,001-\$49,999 deputy Co Mgr; ≤ \$25,000 CAO, Dept/Div Dirs, EOs, Purch Mgr, Risk Mgr	Looking at increasing levels in 2019; Exceptions to authorizations exist
Arapahoe County	None – all delegated	Do not have a Co Mgr	≥ \$100,000 Dept Dirs; \$99,999 Purch Dir	
Boulder County (very decentralized)	≥ \$25,000	Do not have a Co Mgr	< \$25,000 Dept Dirs	Looking to increase BCC level to \$50,000 in 2019
City/County of Denver	City Council approval only needed when cumulative total >\$500k	Do not have a Co Mgr	Unlimited within Purchasing (Dir, Deputy Dir, Supervisor, Senior, Associate)	Example: Director: unlimited; Deputy Dir: ≤ \$1M; Supervisor: ≤ \$499,999; Senior Buyer: ≤ \$150,000; Associate Buyer: ≤ \$50,000
Douglas County	≥ \$100,000	≥ \$25,000	< \$25,000 Dept Dirs	
El Paso County	≥ \$100,000		< \$100,000 Purch Dir	
Jefferson County	≥ \$100,000	≥ \$50,000-\$99,999	< \$50,000 Purch Mgr	Looking to increase levels in 2019
Larimer County	≥ \$75,000	≥ \$50,000-\$74,999	< \$50,000 Dept Dirs	
Pueblo County	≥ \$25,000	Do not have a Co Mgr	< \$25,000 Dept Dirs	
Mesa County	≥ \$50,000	≥ \$25,000 - \$49,999	< \$25,000 Dept Dirs	
Weld County	≥ \$25,000	Do not have a Co Mgr	< \$25,000 Dept Dirs	
State of Colorado	Very complex authority delegated by State Controller based upon risk assessment		Purch – POs < \$150,000	The State of Colorado considers goods and services costing less than \$150,000 a “small purchase.”

Current Federal Guidelines

2 CFR Part 200 Uniform Guidance

PROCUREMENT BEAR CLAW



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<https://blog.myfedtrainer.com/new-procurement-rules-clarified-by-omb/>

Recommended Revisions to Purchasing Solicitation Thresholds

Type	Current	Recommend
3 Quotes (recommended)	<\$5,000	<\$10,000
3 Quotes (required)	\$5,000 - \$25,000	\$10,000 - \$50,000
Formal Solicitation (required)	>\$25,000	>\$50,000
Sole/Single Source Form submitted	>\$5,000	>\$10,000

Recommended Revisions Based on Pre-Approved Budget

- If projects/purchases are approved by the BOCC through the budget process, contracts or purchase orders that fall within that approved budget will not require additional BOCC approval. The County Manager or designee are authorized to approve contracts and purchase orders, regardless of value, as long as they fall within the approved budget.
- All contracts or purchase orders over \$250,000 in value that are not approved through the budget process or that exceed the approved budget amount will require BOCC approval at public hearing.

Recommended Revisions to Procurement Authorization Levels

Position	Current	Scenario 1	Scenario 2	Scenario 3
BOCC	NO LIMIT	NO LIMIT	NO LIMIT	NO LIMIT
County Manager	\$100,000	\$250,000	\$500,000	NO LIMIT within budget \$250,000 with proposed budget amendment
ELT (Deputy County Mgr or County Attorney)	\$50,000	\$100,000	\$250,000	\$250,000
Directors/Deputy Directors	\$25,000	\$50,000	\$150,000	\$150,000
Elected Officials	\$25,000	\$50,000	\$150,000	\$150,000
Purchasing Manager	\$25,000	\$50,000	\$150,000	\$150,000
Risk Manager	\$25,000	\$50,000	\$150,000	\$150,000

Recommended Revisions for Change Orders/Amendments

Add language to policy:

- After review by the County Attorney's Office, purchasing staff is authorized to amend contracts, including those originally approved by the BOCC, for the purpose of altering the term of the agreement or the performance period (time).
- Change Orders and/or Amendments for purchases/projects over \$250K, within budget, require approval of all of the following:
 1. Project Manager;
 2. Department Director or Elected Official;
 3. Finance Director; and
 4. County Manager, or approved designee

Next Steps

1. Proceed with change(s) as directed by BOCC.
 - a) Redline policy accordingly.
 - b) Email proposed changes to BOCC, ELT, Elected Officials and Directors for 10 day review and comments per policy.
 - c) Finalize w/CAO and approved in Public Hearing as Consent Item.
2. Proceed with redlining Purchasing Policies 1071 Construction Pre-Qualifications and 1085 Change Orders; present at future Study Session.
3. Continue to review other Purchasing Policies and present at future Study Sessions.