

County of Lassen
ADMINISTRATIVE SERVICES



CHRIS GALLAGHER

District 1

DAVID TEETER

District 2

JEFF HEMPHILL

District 3

AARON ALBAUGH

District 4

TOM HAMMOND

District 5

Richard Egan

County Administrative Officer

email: coadmin@co.lassen.ca.us

Julie Morgan

Assistant to the CAO


email: jmorgan@co.lassen.ca.us

MEMORANDUM

County Administration Office
221 S. Roop Street, Suite 4
Susanville, CA 96130
Phone: 530-251-8333
Fax: 530-251-2663

DATE: October 25, 2018

TO: Board of Supervisors
Agenda Date: November 13, 2018

FROM: Richard Egan, County Administrative Officer 

SUBJECT: Resolution clarifying Purchasing Agent authority

RECOMMENDATION: That the Board: Approve Resolution. Provide Direction to Staff.

PREVIOUS BOARD ACTIONS: Adoption of County Policy No. 14-P01, attached. See Policy 10, Surplus Property.

The Board of Supervisors and the Lassen County Code provides that the County Administrative Officer is the County's Purchasing Agent.

DISCUSSION: I am requesting that the Board clarify, by adopting the attached resolution, the Purchasing Agent's authority to determine the value of and to dispose of county-owned personal property that is 1) no longer needed for public use and 2) having an estimated value of up to \$5,000.

County-owned property that is no longer needed for public use would include an item that is:

- Restricted from sale by law, regulation or code.
- Broken, not safe, unusable or not cost effective to sell by auction.
- No longer needed for County use.

Depending on the type, value and condition of the item, available disposal options would include: direct sale, auction, trade, scrapping, recycling, properly disposing of the item in a landfill, transfer of the item to another government agency or transfer/donation to a charitable organization, including the Lassen County Historical Society.

FISCAL IMPACT: None.

RE:ts

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RESOLUTION NO. _____

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LASSEN, STATE
OF CALIFORNIA, AUTHORIZING THE COUNTY PURCHASING AGENT TO SELL OR
DISPOSE OF ANY PERSONAL PROPERTY BELONGING TO THE COUNTY NOT
REQUIRED FOR PUBLIC USE

WHEREAS, California Government Code Section 25500 provides that “the Board of Supervisors may employ a purchasing agent and such assistants as are necessary for him properly to fulfill his duties”; and,

WHEREAS, the Board of Supervisors and Lassen County Code Section 2.06.035(b)(11) provides that “the County Administrative Officer is responsible for the purchasing program for the county and is designated its purchasing agent”; and

WHEREAS, California Government Code Section 25504 provides that “the county purchasing agent may by direct sale or otherwise sell, lease, or dispose of any personal property belonging to the county not required for public use, subject to such regulations as may be provided by the Board of Supervisors”; and

WHEREAS, on December 9, 2014, the Board of Supervisors approved the County’s Purchasing Policy No. 14-PO1 that provides for policies regulating, transferring and tracking surplus property, including fixed assets having a value of \$5,000 or greater, by a County Department Head and County Purchasing Agent; and,

NOW THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Lassen that the County Purchasing Agent has the sole authority to determine the value of and dispose of any item of county-owned personal property having an estimated value of up to \$5,000; any item restricted from sale by law, regulation, or code; or any item because it is broken, not safe, unusable or not cost-effective to sell by auction; no longer needed for County use.

BE IT FURTHER RESOLVED that disposal by the direction of the County Purchasing Agent may be by direct sale, auction, trade, scrapping, recycling, properly disposing of the item in a landfill, transfer of the item to another government agency or donation to a charitable organization.

BE IT FURTHER RESOLVED that for the purpose of this policy, charitable organizations shall be described as a nonprofit organization exempt from taxation under the provisions of the Internal Revenue Code, 26 U.S.C. 501 (C)(3) or the Lassen County Historical Society.

The foregoing Resolution was adopted at a regular meeting of the Board of Supervisors of the county of Lassen, State of California, held on the 13th day of November 2018 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

RESOLUTION NO. _____

ABSENT: _____

CHAIRMAN OF THE BOARD OF SUPERVISORS
COUNTY OF LASSEN, STATE OF CALIFORNIA

ATTEST:
JULIE BUSTAMANTE
Clerk of the Board

BY: _____
MICHELE YDERRAGA, Deputy Clerk of the Board

I, MICHELE YDERRAGA, Deputy Clerk of the Board of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution was adopted by the said Board of Supervisors at a regular meeting thereof held on the 13th day of November 2018.

Deputy Clerk of the County of Lassen
Board of Supervisors

POLICY NAME:	Purchasing/Contracting
POLICY NUMBER:	14-P01
BOARD APPROVAL DATE:	December 9, 2014
REVISION NUMBER & DATE:	Replaces 03-P12

PURCHASING POLICY

1. PURCHASES COSTING LESS THAN \$20:

AUTHORIZATION LEVEL - AUTHORIZED EMPLOYEE

Departments are encouraged to establish petty cash funds for immediate reimbursement of small items. The auditor can assist the department in establishing a petty cash fund. In order to establish a petty cash fund a resolution approved by the Board of Supervisors is required.

2. TOTAL PURCHASES, PER VENDOR, PER FISCAL YEAR, PER DEPARTMENT COSTING BETWEEN \$21 AND \$2,000:

AUTHORIZATION LEVEL - AUTHORIZED EMPLOYEE

Inexpensive materials, supplies, and equipment can be purchased directly by department, no purchase order is required. Claim forms should not be submitted to the Auditor's Office for reimbursements which are less than \$20. Either, receipts should be held until the total expenditures add up to more than \$20 or the department should establish a petty cash fund for small purchases. Departments are encouraged to purchase their office supplies from the State contract, CMAS contract, CSAC contract, and Office Depot bulk purchasing contracts.

3. TOTAL PURCHASES, PER VENDOR, PER FISCAL YEAR, PER DEPARTMENT COSTING BETWEEN \$2,001 AND \$10,000:

AUTHORIZATION LEVEL - DEPARTMENT HEAD

These items require a purchase order and a requisition form. The requisition must be approved by the Department head. The related purchase order must be submitted to Administrative Services and to the Auditor-Controller's Office for review and approval. Informal quotes are recommended to obtain best pricing. Purchase orders for computer hardware and software, printers, and photocopiers must be sent to the county Informational Services (ISD) staff before making a purchase, so Informational Services can assist in acquiring the items from the vendors offering the best prices and to insure that the equipment being purchased is compatible with the county wide computer standards.

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COUNTY OF LASSEN**4. TOTAL PURCHASES, PER VENDOR, PER FISCAL YEAR, PER DEPARTMENT COSTING BETWEEN \$10,001 AND \$25,000:****AUTHORIZATION LEVEL – COUNTY ADMINISTRATIVE OFFICER**

Purchase of these items requires a purchase order and informal quotes from at least three vendors. The names of the vendors, their business address and telephone numbers, and their price quotes must be written on the requisition form. If the type of equipment being purchased is so specialized that less than three vendors are available, please document this on the requisition. If you are purchasing through the CMAS contract or one of the other mass purchasing contracts, you are not obligated to obtain quotes from three vendors because these prices have already been negotiated. If another governmental agency has completed a competitive bid process and is extending the pricing agreements to other governmental agencies, you are not required to obtain quotes. Again, purchase orders for computer hardware and software, printers, and photocopiers must be sent to the county Informational Services (ISD) staff before making a purchase, so Informational Services can assist in acquiring the items from the vendors offering the best prices and to insure that the equipment being purchased is compatible with the county wide computer standards.

5. TOTAL PURCHASES, PER VENDOR, PER FISCAL YEAR, PER DEPARTMENT COSTING OVER \$25,000:**AUTHORIZATION LEVEL – BOARD OF SUPERVISORS**

Purchases of more than \$25,000 must be pre-approved by the Board of Supervisors and must be acquired through a formal advertised bidding process with written responses from potential vendors or through the CMAS contract or one of the other mass purchasing contracts. If another governmental agency has completed a competitive bid process and is extending the pricing agreements to other governmental agencies, you are not required to formally bid. Purchases pursuant to this section require Board Approval contingent upon approval of the purchasing agent's recommendation. The purchasing agent will assist the department in setting up the bidding process. On some occasions, the County may choose other than a "lowest responsible bid" and may use an alternative scoring criterion to rate formal bids.

6. LOCAL PREFERENCE

Local businesses may receive a 5% (5 percent) preference at the option of the County. Local preference will not apply to bids for professional services contracts. A local preference may not be allowed, depending on the source of funding for a purchase. A local business is defined as having a physical presence in Lassen County where business is conducted during defined hours. Businesses wishing to receive a local preference must include a telephone number and address within Lassen County in their bid documents. These will be the only points of contact with businesses claiming local preferences. Level of approval must coincide with the authorization level included in this policy.

COUNTY OF LASSEN**7. PURCHASES OR ACCEPTANCE OF SURPLUS PROPERTY**

Purchases of items and equipment from another governmental agency shall not be subject to the formal bid requirements. All such purchases shall have prior approval by the Department Head requesting the purchase, by the County Administrative Officer, and the Board of Supervisors, and shall be contingent upon approval of the purchase or acceptance of surplus property or equipment by the Board of Supervisors.

8. FIXED ASSETS:

Equipment which costs more than \$5,000 and which has a useful life of one year or more shall be defined as “fixed assets” and shall be listed on the department’s fixed assets inventory. The fixed assets inventory shall be updated annually by the department; copies of each year’s inventory should be submitted to the Auditor.

9. EMERGENCY PURCHASES OR SERVICES:

In the event that a department needs to make an immediate purchase or expenditure (exceeding \$2,000) at a time other than during normal business hours, the equipment, materials, and/or services may be purchased without prior approval. However, the purchase must later be ratified by the Board of Supervisors before payment will be made. Emergency purchases should be confined to situations where health or safety is affected, or when critical departmental functions would be totally halted (e.g., snowplow repairs, medical equipment, or boat patrol) if the emergency purchase is not made. Where possible, departments are still encouraged to follow regular purchasing procedures.

10. SURPLUS PROPERTY:

When a department identifies assets which are no longer needed a surplus property form shall be submitted to the Purchasing Agent identifying the asset, the current condition and where the item or items are located. A Department Head may surplus items to other County Departments upon approval of the County Purchasing Agent. When the asset is \$5,000 or greater, the Department’s Fixed Assets inventory should be immediately amended and the Department must notify the auditor and the purchasing agent of the items which are being removed from the department’s fixed assets inventory. Non-General Fund departments will be credited with the revenue generated by the sale of its surplus property. A Department may surplus inventory to another Governmental Agency with prior approval from the Board of Supervisors.

11. CREDIT CARD POLICY:

Currently, the county issues American Express cards to some employees for travel expenses only. On certain occasions, purchases may be made using American Express cards, if no alternative purchasing mechanism is available, and with prior approval from the County Auditor. Personal expenses MAY NOT be charged to county credit cards; doing so may be grounds for disciplinary action, up to and including dismissal.

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COUNTY OF LASSEN**12. UTILITIES**

Sole source utility payments do not require a contract or a purchase order. Examples would be electricity and water services.

13. MEMBERSHIPS

Memberships do not require a contract or purchase order. If a signature is required for a membership, the documents will require review by County Counsel. Departments may authorize membership payments up to \$2,000 per year, per membership. Any memberships above this amount require approval by the CAO.

CONTRACTING POLICY**1. CONTRACTUAL SERVICES PER FISCAL YEAR COSTING LESS THAN \$5,000:****AUTHORIZATION LEVEL – DEPARTMENT HEAD**

All contractual or professional service contracts, including maintenance and rental agreements, must be reviewed and approved by County Counsel for legal sufficiency prior to final approval, however, County Counsel may pre-approve standard individual contracts if the pre-approved standard form is utilized, no unauthorized changes have been made and the total price cannot exceed \$5,000. Standard state contracts need not be submitted to County Counsel. County Counsel may have standard contracts for personal services, leases, public works projects, and for a variety of other purposes. The Department must use the standard county contract forms whenever practical.

2. CONTRACTUAL SERVICES PER FISCAL YEAR COSTING BETWEEN \$5,001 AND \$25,000:**AUTHORIZATION LEVEL – COUNTY ADMINISTRATIVE OFFICER**

All contractual or professional service contracts, including maintenance and rental agreements, must be reviewed and approved by County Counsel for legal sufficiency prior to final approval. The County Administrative Officer has authority to sign these contracts. The Department must use the standard county contract format whenever possible.

3. CONTRACTUAL SERVICES PER FISCAL YEAR COSTING OVER \$25,000:**AUTHORIZATION LEVEL – BOARD OF SUPERVISORS**

Contractual or professional service contracts, including maintenance and rental agreements, must be pre-approved by the Board of Supervisors; a formal bidding process; and acceptance of the winning bid by the Board of Supervisors. The Purchasing Agent will assist the department in performing the

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COUNTY OF LASSEN

competitive bidding process. The Purchasing Agent and County Counsel will both assist the Department in determining whether the project being proposed requires prevailing wage rates or not. The contract shall be reviewed and approved by County Counsel for legal sufficiency prior to final approval. The Department must use the standard county contract format whenever possible.

4. CONSULTANT SERVICES:

On some occasions, a Request for Proposal (RFP) is more appropriate than a “lowest responsible bid” process. For professional and personal service contracts, the County does not require awarding to the lowest responsible bid.

PUBLIC WORKS CONTRACTING POLICY**1. UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT:**

The Board of Supervisors has approved the policy and procedures for the award of contracts for public works projects as authorized by the Uniform Public Construction Cost Accounting Act (Act). This Act allows a public agency to increase the thresholds for public works projects and contracts that typically involve the construction, remodeling, repair, or renovation of public buildings, roads, and other public improvements owned or to be used by the public agency. It does not apply to contracts for supplies, equipment, or services (including professional services). To be eligible public projects must follow the established procedures of the Act including developing and maintaining a contractor’s list of qualified contractors for the various categories of work. The Purchasing Agent and Public Works Director will both assist the Department in determining whether the project being envisioned meets the requirements of the Act. Prevailing wage rates apply to all public works contracts.

1.1 PUBLIC WORKS PROJECTS UNDER \$45,000:

Contracts for public works projects may be implemented by negotiated contract however they must be reviewed and approved by County Counsel for legal sufficiency prior to final approval. The standard County Counsel format shall be used whenever possible. The Public Works Director or County Administrative Officer is authorized to execute contracts. Purchase Orders shall be issued for materials which are to be used in public works projects utilizing force account following the Purchasing Policy procedures referenced in the Uniform Public Construction Cost Accounting Act. The Purchasing Agent is authorized to execute Purchase Orders.

1.2 PUBLIC WORKS PROJECTS COSTING BETWEEN \$45,001 AND \$175,000:

Contracts for public works projects shall be by informal quotes from at least three contractors. The names of the contractors, their business address and telephone numbers, and their price quotes must be retained per the Purchasing Records Retention Policy. The contract shall be reviewed and approved by County Counsel for legal sufficiency prior to final approval. The standard county counsel format shall be used whenever possible. The Public Works Director or County Administrative Officer is authorized to execute contracts. Purchase Orders for materials which are

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COUNTY OF LASSEN

to be used in public works projects utilizing force account shall be by informal quotes from at least three vendors following the Purchasing Policy procedures referenced in the Uniform Public Construction Cost Accounting Act.

1.3 PUBLIC WORKS PROJECTS COSTING OVER \$175,000:

Contracts for public works projects shall be by formal bidding. Public Works bids shall be retained per the Purchasing Records Retention Policy. The contract shall be reviewed and approved by County Counsel for legal sufficiency prior to final acceptance of the winning bid by the Board of Supervisors. The standard county counsel format shall be used whenever possible. Purchase Orders for materials which are to be used in public works projects utilizing force account shall be by formal bidding with final acceptance of the winning bid by the Board of Supervisors.

1.4 ADJUSTMENTS TO THE MONETARY LIMITS:

The California Uniform Construction Cost Accounting Commission shall every five years consider whether there have been material changes in public construction costs and make recommendations to the State Controller regarding adjustments to the bidding procedure monetary limits. The State Controller will notify the County of any adjustments.