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# Contracts, Purchasing and Grants

# Agenda

Ethics in Contracting

Contracting

Procurement Contracts

Revenue Contracts

Grants

Contract Management

Risks in Contracting

# Ethics in Contracting & Grants

# Common Ethical Challenges

- ▶ Compliance with applicable laws and regulations
- ▶ Outside influence
- ▶ Acting in the public's interest
- ▶ Conflicts of Interest
- ▶ Consultant Recommendations

# What is a Contract?



A CONTRACT IS A METHOD  
TO ALLOCATE RISK IN A  
BUSINESS ENVIRONMENT



AN EXCHANGE OF  
PROMISES WITH A SPECIFIC  
REMEDY FOR BREACH



CONTRACTS CAN BE  
WRITTEN OR ORAL

# Elements of a Contract

- ▶ Elements of a Contract
  - ▶ Offer
  - ▶ Acceptance
  - ▶ Promise to do something
  - ▶ Competent Parties

# Procurement Contracts

# Authority to Purchase

- ▶ County policy provides that only the Director of Purchasing and Contracting can obligate the County to any contract or agreement for the purchase of goods and services
- ▶ Individual employees cannot sign contracts or otherwise obligate the County





# Basically, Competitive Procurement Exception: Single Source

## Requirements:

- ▶ Requestor must:
  - ▶ Justify single source acquisition
  - ▶ Document “fair and reasonable” pricing
- ▶ Contracts Division may reject a single source request and seek an alternative course of action

# Single Source Approvals

- ▶ Up to \$50,000 (annual) – Director of Purchasing & Contracting (DPC) may approve
  - ▶ Contracts Division reviews or writes the single source letter
- ▶ Up to \$100,000 (annual) – CAO or DCAO may approve
  - ▶ Contracts Division reviews or writes the single source letter
- ▶ Over \$100,000 (annual) – Board of Supervisors must approve
  - ▶ Contracts Division reviews or develops and docket the Board letter

# How to Acquire Goods or Services

- ▶ P-Card for eligible acquisitions of \$2,500 or less
- ▶ Blanket Purchase Agreements
- ▶ Request for Quote (RFQ)
- ▶ Request for Bids (RFB)
- ▶ Request for Proposal (RFP)

# Blanket Purchase Agreements

No competition is required to order off an existing BPA

Can use P-Card if they accept one, even for multiple orders

Limited to that vendor

Items available to purchase may be limited

Pricing is not always the lowest

# Blanket Purchase Agreements

- ▶ Check the BPA to confirm there is money available prior to ordering
- ▶ Releases must be created before the item is ordered
- ▶ Failure to do so can result in overspending a BPA

## Request for Quotes (RFQ)

Quick procurement

No formal response  
required

Limited to \$250,000

Must have clear  
specifications

# Request for Bid (RFB)

No dollar limit

Clear Statement of Work

Must accept lowest bidder

Cannot negotiate terms or pricing

Requires formal bid package

# Request for Proposal (RFP)

Most flexible, best value (not lowest price) is the determining factor

Can negotiate all contract terms with offerors

Can do interviews and demonstrations as part of the selection process

Most time consuming



# Fair and Reasonable Price

- ▶ Prior to awarding **any** contract a determination must be made that the price is fair and reasonable
- ▶ If several offers are being considered, this will be accomplished by comparing the competitive offers
- ▶ If only one response is received, a statement as proof of a fair and reasonable price must be included in the contract file

## Your Responsibilities

Plan ahead

Involve the Contracts  
Division as soon as  
possible

The more complex the  
acquisition, the more  
time it takes for a  
successful conclusion

# Protests

- ▶ There are two reasons an award can be protested:
  - ▶ The County failed to follow its procedures to the solicitation requirements
  - ▶ Misconduct by County employees
- ▶ Protests can delay the issuance of a contract by weeks and even months

# How to Avoid a Protest

- ▶ Don't communicate with bidders/offerors during a procurement
- ▶ Only DPC personnel is allowed to talk to vendors during the procurement process. They can authorize someone else if necessary

# How to Avoid a Protest

- ▶ Disclose all conflicts of interest
- ▶ Don't show favoritism
- ▶ Communication is allowed within an existing contract, but absolutely no communication about the new procurement



# Revenue Contracts

(Services Provided by the Sheriff's  
Department)

# Revenue Contracts

1

Services cannot be provided until the contract has been approved

2

Requires full cost recovery for revenue contracts

3

Revenue contracts over \$250,000 must be approved by the Board of Supervisors

# Revenue Contracts

- ▶ Contracts Division processes all revenue contracts for the department
- ▶ Most revenue contracts are with other government agencies such as cities, courts, school districts and special districts



# Revenue Contracts

The Government Code prohibits the Sheriff from contracting with private companies or individuals on an ongoing basis. One-time contracts are allowed.

The Chief Administrative Officer can approve all revenue agreements up to \$250,000

All revenue contracts over \$250,000 require a Board Letter

# Current Revenue Agreements

## REVENUE CONTRACTS

### DETAILED REVENUE PROJECTIONS - FY 23-24

Agency	Value	Bureau
Contract Cities	123,078,774.79	LESB
Superior Court	44,906,950.00	CSB
Grossmont School District	1,494,857.09	LESB
Grossmont Cuyamaca Community College	706,714.54	LESB
Vista Unified District	247,192.25	LESB
Guajome Schools	82,397.42	LESB
Steele Canyon High School	198,698.19	LESB
Barona Band of Mission Indians	389,975.49	LESB
Jamul Indian Village	365,827.26	LESB
Pala Band of Mission Indians	777,583.25	LESB
Rincon Band of Luiseno Indians	783,234.25	LESB
North County Transit District	3,229,116.16	LESB
22 <sup>nd</sup> DAA	500,000.00	LESB
Cal Fire	400,000.00	LESB
Reimbursable Service Agreements	850,000.00	LESB
County Mental Health	860,047.75	CSB
HHSX Exodus	351,448.86	LESB
DSH - Incompetent to Stand Trial	400,000.00	DSB
Liberty EASS Program	400,000.00	DSB
<b>Grand Total</b>	<b>\$ 180,022,817.30</b>	

Bureau	Total Projected Revenues
CSB	\$45,766,997.75
DSB	\$800,000.00
LESB	\$133,455,819.55
<b>Grand Total</b>	<b>\$180,022,817.30</b>

# Grants

(Funding)

# Grants Basics

- ▶ Contact the Grants Unit prior to applying for any grant
- ▶ Value of the grant may not be worth the workload
- ▶ It is not possible to replace county funds with federal funds for the same purpose

# Grants Unit Services

- ▶ Preparing and submitting grant applications and related post award documents, e.g., modifications, extension requests, board letters, and resolutions
- ▶ Preparing and submitting monthly or quarterly grant claims to the State, and/or federal agencies
- ▶ Completing and submitting audit information to Auditor & Controller

# Grants Unit Services

- ▶ Serving as point of contact for grant administrative and fiscal function
- ▶ Providing monitoring, accounting, and administrative support activities
- ▶ Ensuring consistency and compliance with County and granting agency policies and procedures



# Contract Management Basics

## Contract Management Basics

- ▶ Responsible for the contract management is the division or unit who requested the contract
- ▶ Knowledge of the County's and the contractor's responsibilities is essential
- ▶ Monitoring of the contractor's performance
- ▶ Any deficiencies should be reported to the Contracts Division



# Contract Management

- ▶ Track all contract costs
- ▶ Try to resolve issues that may arise
- ▶ Report all disputes to the Contracts Division
- ▶ Send necessary contract changes requests to the Contracts Division

Contract  
Management:  
Blanket Purchase  
Agreements

- ▶ Monitor spending. Do not exceed the amount listed on the purchase order or in the contract
- ▶ Releases must be entered before the time the item is ordered
- ▶ Contact the Contracts Division if you feel you need additional funds

## Contract Management: Invoices

- ▶ Please review, approve and forward all invoices to the Accounts Payable Department
- ▶ Invoices must have a signature, the note “Ok to Pay”, the date, the POETA, and the Purchase Order number
- ▶ Never authorize payments unless you have personal knowledge that the goods and services have been received and are acceptable
- ▶ Contact the vendor/contractor immediately if there is a problem

## Prevent Unauthorized Procurements

- ▶ Department employees are responsible that procurements are in accordance with County policies and procedures
- ▶ Items cannot be purchased without a purchase order or contract

# Best Practices Include..

- ▶ Do not ask a vendor or contractor to perform any work prior to the issuance of a contract or Purchase Order
- ▶ Do not make any agreement with the contractor that obligates County funds

# Best Practices Include..

- ▶ Do not make any commitments that affect the price, quality, quantity, delivery or any other contract term
- ▶ Do not ask or encourage the contractor to perform any work beyond or outside the scope of the contract
- ▶ Do not put yourself in a situation that may place you in a “Conflict of Interest” between private and public interests (financial or otherwise)

# Best Practices Include..

- ▶ Do not use your official position for personal gain
- ▶ Do not make promises related to future business
- ▶ Do not accept any favors or considerations for yourself or family

# Questions?

