

Contracts, Purchasing and Grants



Keith Spears
Contracts & Grants Manager



Agenda

- Ethics in Contracting
- Contracting 101
- Procurement Contracts
- Revenue Contracts
- Contract Management
- Risks in Contracting
- Grants



Ethics in Contracting & Grants



Ethics In Contracting & Grants

- To do what's right
- To conform to a profession's rules
- Intent
- Acting in the public's interest
- Common sense
- Are there “degrees” to an ethical decision?



Common Ethical Challenges

- Interpretation of gray areas
- Deviation of procedures
- Outside influence
- Change process
- Payment process
- County staff involvement
- Conflicts of Interest
 - Consultant Recommendations



Common Ethical Challenges

- Contracting Authority
- Communication
- Price manipulation
- Specification deficiency
- Illegal activities –
 - Kickbacks, bribes
 - Fraud & Collusion
 - Gifts, meals, etc.
- Character and reputation count!



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

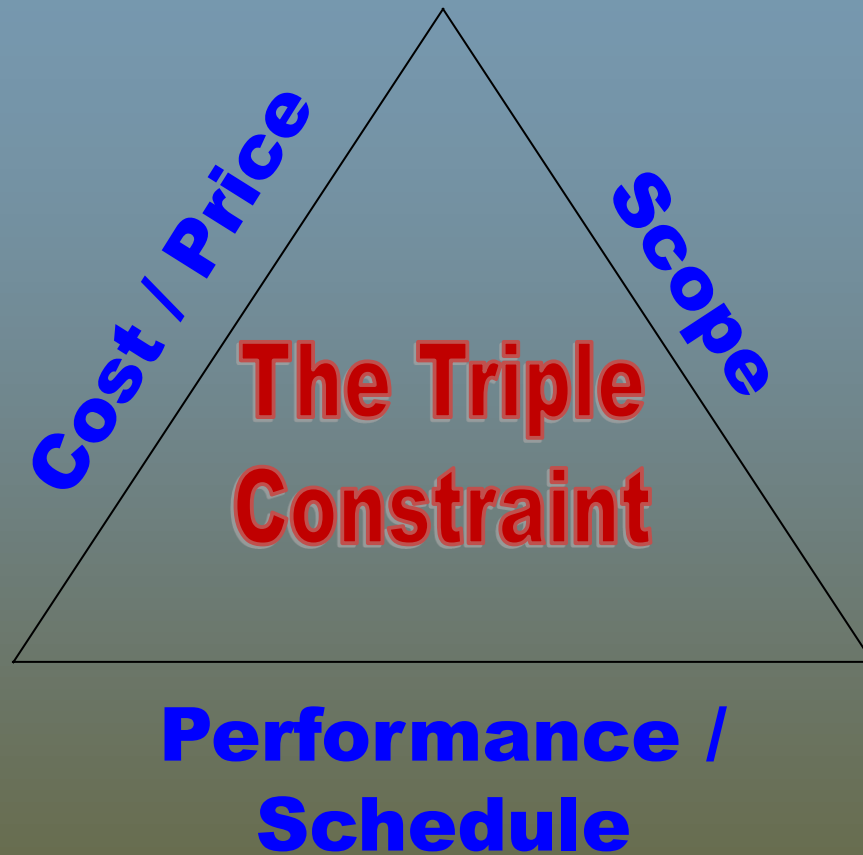


Elements of a Contract

- Elements of a Contract
 - Offer
 - Acceptance
 - Valuable Consideration
 - Money
 - Property
 - Promise to do something
 - Legal Purpose
 - Competent Parties



The Triple Constraint



Procurement Contracts



Contracts Division Mission Statement

- *“We provide professional contracting services while ensuring the public trust by adhering to the highest ethical standards”*



Contracts Division Staff

- Keith Spears, Contracts Manager
- Michael Tarrach, Principal Administrative Analyst
- Jennifer Myer, Administrative Analyst
- Valeriya Gorondi, Administrative Analyst
- Christy Moreno, Administrative Analyst
- Jesse Sebastian, Administrative Analyst
- Raquel Rodriguez, Administrative Analyst
- Souhayla Maronesy, Administrative Analyst
- Rina Molina, Sr. Accountant



Services Contracts Provides

- We will meet with you in advance to discuss your procurement and offer advice
- We will draft or assist with any needed board letters
- We interface with Purchasing & Contracting, County Counsel and Risk Management
- Training will be provided upon request



Services Contracts Provides

- Administer the Contract City, Court Security & All Revenue Contracts
- Review and process single source & A-87 exemption & exception requests
- Contract compliance issues including cure letters and terminations
- Requisition processing for smaller divisions



Board Policy A-87

- Governs the competitive procurement process
- Requires competition except for:
 - P-Card purchases
 - Exemptions
 - Exceptions (Single Source)
 - Absolute compatibility
 - Exigency



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 (except for BPA & P-Card)



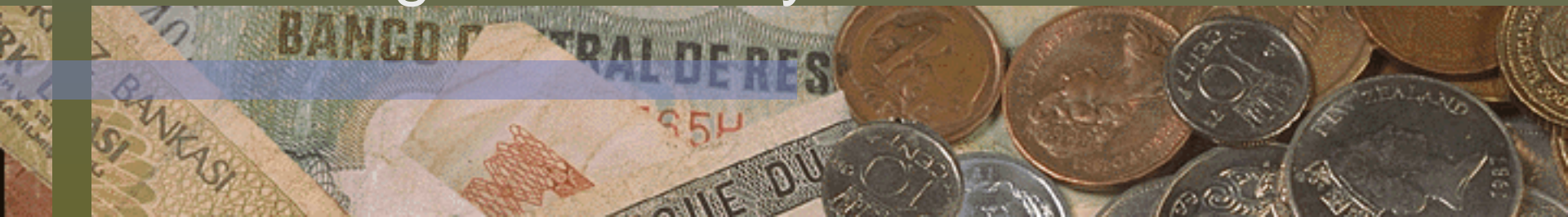
How to Acquire Goods or Services

- P-Card for eligible acquisitions of \$2,500 or less
- Blanket Purchase Agreements
- Request for Quote (Quick Quote)
- Exemptions or Exceptions (Single Source)
- Bids (Request for Bid (RFB)), Two-step 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 entered at the same time the item is ordered unless you are paying with a P-Card. **NO EXCEPTIONS!**
- Failure to do so can result in overspending a BPA



Single Source

- Requestor must:
 - Justify single source acquisition
 - A single source of supply
 - A single manufacturer
 - Absolute compatibility
 - Document “fair and reasonable” pricing
- Contracts Division may reject a sole source request and seek an alternative course of action
- Director of P&C has ultimate authority to accept or reject any sole source request
- Remember the “cumulative” factor concerning acquisitions... over \$100K, we go to the Board



Single Source Approvals

- Up to \$50,000 (annual) – Director of Purchasing & Contracting (P&C) 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
 - Letter is to the DCAO via the Director of P&C
- Over \$100,000 (annual) – Board of Supervisors must approve
 - Contracts Division reviews or develops and docket the Board letter



Exempt from Competition

- Utilities
- Educational Services
- Services acquired from a government agency or their contracts
- Computer off the shelf software (COTS)
- Equipment Maintenance Services
- Software licenses and maintenance
- DVBE services under \$50,000
- Architectural & Engineering Services (F-40)
- Medical or Surgical Equipment



Exemption Thresholds

- Up to \$1 million (annual) – Director of Purchasing and Contracting approval allowed
 - Contracts Division reviews or writes an exemption letter if required
- Over \$1 million (annual) – Board of Supervisors approval required
 - Contracts Division reviews or develops, and docket a Board letter



Request for Quotes

- Quick, can be done in four weeks
- No formal response required. E-mail or fax responses allowed
- Limited to \$250,000
- Must have clear specifications
- Can evaluate responses for best value



Request for Bid

- No dollar limit
- You must develop clear and thorough Specifications or Statement of Work
- Must be used for some types of procurements
- Must accept lowest responsible & responsive bidder
- Cannot negotiate terms or pricing
- Requires formal bid package



Request for Proposal

- 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, takes three to six months



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 of price reasonableness must be included in the contract file



Why Do Procurements Take So Long?

- Time required to develop specifications and/or a Statement of Work
- Purchasing workload
- Vendor/Contractor questions
 - Can require time extension
- Statutory requirements
 - Insurance, E & E, etc.
 - Board of Supervisor approval
- Vendor/Contractor delivery & performance timelines



Your Responsibilities

- Plan ahead
- Involve the Contracts Division as soon as possible
- Assess or anticipate needs
 - Do you have the resources you need?
 - If not, do you have the funding to acquire them?
 - If so, pursue your operational needs.
- The more technical or complex an acquisition, the more time it takes for a successful conclusion
- Contact the Contracts Division and ask questions at (858) 974-2236



Protests

- There are two reasons an award can be protested:
- The County failed to follow its procedures and adhere to the solicitation requirements
- Misconduct or impropriety by County employees or evaluation team members
- 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 County Purchasing and the Contracts Division can talk to vendors during a procurement. They can authorize someone else if necessary



How to Avoid a Protest

- Disclose all conflicts of interest
- Don't show favoritism
- You can continue to communicate if you have an existing contract, but cannot communicate about the new procurement



Revenue Contracts



B-29-Fees, Grants & Revenue Contracts

- Services cannot be provided until the contract has been approved
- Requires full cost recovery for revenue contracts
- Revenue contracts over \$250,000 must be approved by the Board of Supervisors



Revenue Contracts

- Due to their complexity, the Contracts Division process 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

Agency	Value
Contract Cities	\$121,187,122
Courts	\$460,000
Grossmont School District	\$1,316,261
Indian Nations	\$1,970,448
22 nd DAA	\$400,000
Cal Fire	\$250,000
North County Transit District	\$3,002,731
County Mental Health	\$994,994
Feeding the Unsheltered	\$336,450
City of Vista, HHS Exdous	304,462
Grossmont-Cuyamaca CC	647,189
Miscellaneous Contracts	\$1,357,040
Total	\$132,226,698

Reimbursable Service Agreements

- Are for one time services under \$5,000 such as:
 - Street fairs, Race Events, Bar Mitzvahs
 - Car shows & concerts
 - Any other event needing traffic or security services on a one time basis
- Not required for a contract city if they request the service and agree to pay for it



Reimbursable Service Agreements

- Please allow two to three weeks to process the agreement
- Services cannot be provided under any circumstances without a signed agreement
- Services that exceed \$5,000 will require a standard revenue agreement which can take three to four weeks to process



Reimbursable Service Agreements

- They cannot be used for:
 - Services over \$5,000
 - Services provided to an organization or agency on an ongoing basis
 - Services provided to private individuals such as bodyguards
- Contact the Contracts Division for these agreements (Christy & Rina)



Contract Management

- The division or unit who requested the contract is responsible for managing it
- Read and understand the requirements of the contract- know the County's responsibility as well as the contractors
- Monitor and document contractor's performance. Any deficiencies should be reported to the Contracts Division



Contract Management

- Inspect supplies and services to determine acceptability-reject those that do not meet the contract requirements and standards
- Validate contractors reimbursable purchases are actually received before being billed to the County
- Validate contractor personnel have the required licenses, certificates, insurance and security clearances as required by the contract



Contract Management

- Verify timeliness and accuracy of contractor reports and data required to be delivered by the contract
- Track all contract costs
- Try to resolve issues that may arise. Insure any dispute is referred to the Contracts Division
- Request contract changes through the Contracts Division when needed



Blanket Purchase Agreements

- Monitor spending. Do not exceed the amount listed on the purchase order or in the contract. Check balance before ordering
- Releases must be entered at the same time the item is ordered unless you are paying with a P-Card. **NO EXCEPTIONS!**
- Contact your budget analyst and the Contracts Division before exceeding the dollar amount on a BPA if you feel you need additional funds



Receiving of Orders

- All packages should be inspected and rejected if damaged
- The package contents should be compared to the PO to confirm we got what we ordered
- All discrepancies should be addressed with the contractor and reported to the Contracts Division



Invoices

- Please review, approve and forward all invoices to Accounts Payable Department in a timely manner. Invoices must have signature, “Ok to Pay” date and POETA and Purchase Order #
- Never authorize payment for goods or services unless you have personal knowledge that the goods and services have been received and are acceptable to the County
- Contact the vendor/contractor immediately if there is a problem



Prevent Unauthorized Procurements

- Department staff carry the responsibility to ensure County policies and procedures. Work with Contracts Division as needed for guidance
- Items cannot be purchased without a purchase order resulting from a properly submitted and approved purchase requisition (except P-Card & BPA)



Best Practices Include..

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



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 to coerce or in any matter include anyone for personal gain
- Do not make or infer promises related to future business
- Do not solicit or accept any favors or considerations for yourself or family



Grants



Grants Unit Mission Statement

“To assist the department in securing grant and revenue funding to implement new law enforcement programs, enhance existing programs, and/or offset program related costs associated with vital public safety services provided to the county and its residents.”



Grants Unit Staff

- Dina Schoen, Principal Accountant
- Chrys Flor, Principal Administrative Analyst
- Ji-Hye Ann Hong, Administrative Analyst (HIDTA)
- Caleb Marmon, Staff Accountant (HIDTA)
- Maria Fierros, Senior Accountant (Non-Homeland)
- Andry Gunawan, Staff Accountant (Non-Homeland)
- Maisi Liu, Staff Accountant (Non-Homeland)
- Stacy Tran, Staff Accountant (Non-Homeland)
- Vanessa Torralba, Administrative Analyst (Non-Homeland)
- Deborah Campana, Administrative Analyst (SD-LECC)
- Nicole Nicolasora-Nakamura, Staff Accountant (SD-LECC)
- Jocelyn Carpio, Administrative Analyst (UASI/SHSP)
- Ivy Scites, Administrative Analyst (OPSG)
- Dung Pham, Staff Accountant (OPSG)



Grant Basics

- FY 22-23 Grants & Revenue \$70 million
- You must contact the Grants Unit prior to applying for any grant
- Not all grants are worth applying for
 - Matching funds may be required
 - Value of the grant not worth the workload
- No supplanting. Cannot replace county funds with federal funds for the same purpose



Grant Unit Services

- Preparing and submitting grant applications and related post award documents, e.g., modifications, extension requests, board letters, resolutions, ADI journals, and Memorandum of Agreements/Understanding
- Preparing and submitting monthly or quarterly grant and/or revenue claims to state, and/or federal granting agencies
- Completing and submitting Single Audit information and quarterly/year-end reports to the Auditor and Controller



Grant Unit Services

- Serving as point of contact for grant pre- and post-award administrative and fiscal functions
- Functions as the fiduciary agent for the High Intensity Drug Trafficking Areas (HIDTA) and Operation Stonegarden (OPSG) grants, approximately \$10.2 million and \$18.4 million respectively
- Providing monitoring, accounting functions, and administrative support activities relating to the department's grants
- Ensuring consistency and compliance with County and granting agency policies and procedures relating to fiscal matters



Homeland Security Grants

- FY 2022-23
 - Operation Stonegarden (OPSG)
 - \$18.4 Million Total; Sheriff \$9.3 Million
 - Urban Area Security Initiative (UASI)
 - For LECC \$2,057,559
 - State Homeland Security Program (SHSP)
 - For LECC \$2,047,500



Non-Homeland Security Grants

- FY 2022-23
 - HIDTA
 - \$5.1 Million Total; Sheriff \$1.3 Million
 - Selective Traffic Enforcement \$440,000
 - CAL-MMET-LSA \$494,184
 - DNA Backlog \$400,554
 - Domestic Cannabis Eradication \$100,000
 - Internet Crimes Against Children \$60,000



Revenue Programs

- R3G (CCPP) \$1,000,000
- RATT (DMV VLF Fee) \$250,385
- NTF (DEA Funding) \$383,600
- Fugitive Task Force (USMS) \$100,000
- OCDETF (FBI Funding) \$175,000
- Safe Streets (FBI Funding) \$326,060



Questions?

