

# 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



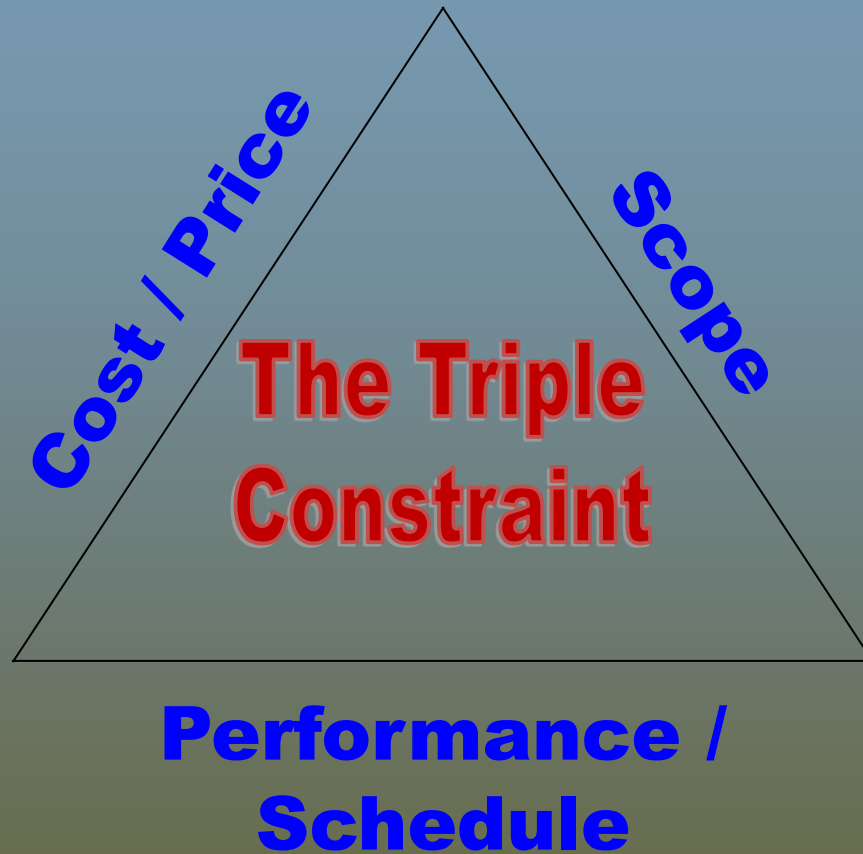


# Elements of a Contract

- 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)



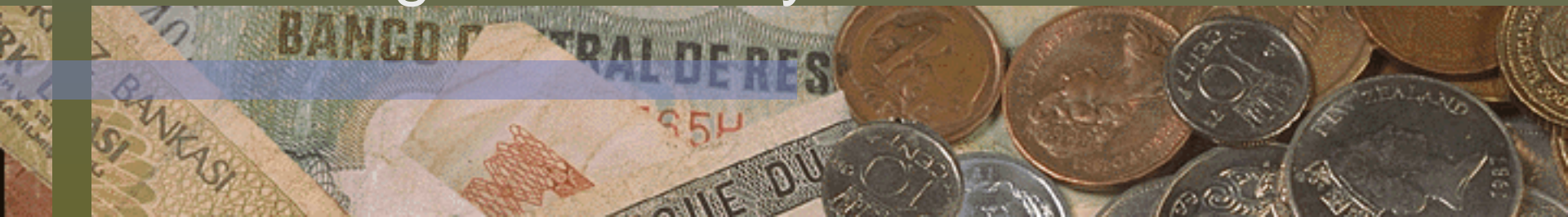
# How to Acquire Goods or Services

- 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	\$120,967,857
Courts	\$460,000
Grossmont School District	\$1,327,465
Indian Nations	\$2,002,439
22 <sup>nd</sup> DAA	\$300,000
Cal Fire	\$800,000
North County Transit District	\$2,615,241
County Mental Health	\$564,638
Feeding the Unsheltered	\$408,000
Miscellaneous Contracts	\$1,065,433
<b>Total</b>	<b>\$131,411,073</b>

# 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)
- Vanessa Torralba, Administrative Analyst (Non-Homeland)
- Jorge Morales, Administrative Analyst (LECC)
- Jocelyn Carpio, Administrative Analyst (UASI/SHSP)
- Ivy Scites, Administrative Analyst (OPSG)
- Diane Paterno, 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?

