



**Item No. 5**

**ACTION ITEM**  
September 20, 2017

**TO:** Board of Directors  
**FROM:** **Administration & Finance Committee**  
(Directors Thomas, Barbre, Finnegan)  
Robert J. Hunter, General Manager  
**SUBJECT: APPROVE CHANGES TO ADMINISTRATIVE CODE SECTION 8000**

**STAFF RECOMMENDATION**

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It is recommended that the Board of Directors: Authorize revisions to Administrative Code Section 8000, as presented.

**COMMITTEE RECOMMENDATION**

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Committee recommends (To be determined at Committee Meeting)

**SUMMARY**

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After reviewing the Administrative Code Section 8000 for direction regarding contracts and the Sole Source Procurement requirement, staff believes it would be prudent to add clarification language to the following section to avoid confusion and to be consistent with Table 1 of Section 8000, also outlined below.

**Procedure for Contracts Between \$3,000 and \$25,000 Awarded Under the General Manager's Authority**

In the event that [sole source](#) Professional Service contracts between \$3,000 and \$25,000 are awarded pursuant to the General Manager's authority, the Sole Source Procurement Justification Form (included in the District's Contracts Manual) shall be completed and submitted to the next Board or Committee meeting as an informational item, prior to starting the work. If time constraints occur, the General Manager shall submit the Sole Source Procurement Justification Form and any supporting documentation to the Board President

|   |                     |         |           |
|---|---------------------|---------|-----------|
| <b>Budgeted (Y/N):</b> NA                     | Budgeted amount: NA | Core __ | Choice __ |
| <b>Action item amount:</b> NA                 | Line item:          |         |           |
| <b>Fiscal Impact (explain if unbudgeted):</b> |                     |         |           |

at least a week prior to starting the contract work and then will still include the Form on the next Board or Committee agenda as an informational item.

On competitively based contracts for professional services between \$3,000 - \$25,000, the General Manager shall report to the Board via email or as an informational item to the Board or a Committee meeting regarding the nature of the contract. The General Manager shall submit an annual written status report on all contracts executed under the General Manager's authority to the Administration & Finance Committee.

**Exhibit A  
AUTHORIZATION PROCEDURES FOR PURCHASES, CONTRACTS, AND  
CONSULTING & PROFESSIONAL SERVICES <sup>(1)(2)(3)</sup>**

**TABLE 1 – REGULAR SITUATIONS**

| Dollar Amount                       | Requires Preparation of:   | Signed By                            | Approving Authority              |
|-------------------------------------|--|--------------------------------------|----------------------------------|
| Up to \$3,000                       | <ul style="list-style-type: none"> <li>• 2 written quotes on purchases</li> <li>• Selection based on qualifications for professional services</li> </ul>   | Program Manager & Accounting Manager | N/A                              |
| \$3,001 - \$25,000 <sup>(2)**</sup> | <ul style="list-style-type: none"> <li>• Competitive bidding process on purchases</li> <li>• Competitive proposals on professional services contracts.</li> <li>• If competitive proposals are not utilized, a <u>justification for Sole Source Procurement Justification forms</u> must be completed and submitted to the next Board meeting as an informational item.</li> </ul> | Program Manager & GM                 | N/A                              |
| Over \$25,000 <sup>(3)</sup>        | <ul style="list-style-type: none"> <li>• Request for competitive proposals or bidding as appropriate or justification of a sole source contract <u>to be included in the Board Action write up</u></li> </ul>  | General Manager                      | Committee and Board of Directors |

<sup>(1)\*</sup>Any aggregate work that will exceed \$25,000 for any one consultant over a one year period requires a report of activities to be presented to the appropriate Committee and the Board of Directors for the work to be authorized.

<sup>(2)\*\*</sup>The General Manager shall have the authority to authorize Change Orders up to 10% or \$10,000, of the original authorization, whichever is greater, but in no event shall it exceed \$25,000, without Board approval.

<sup>(3)</sup> Sole source contracts that go to the Board for approval shall not require the completion and submittal of the Sole Source Procurement Justification form. The justification for the sole source will be included in the write up to the Board.

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