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Title: Adopt a Resolution amending Part I: Section 39 Napa County Purchasing Policy and repealing expired Part I: Section 8G Napa County Environmentally Preferred Purchasing Policy. (No Fiscal Impact)

Sponsors: Board of Supervisors

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Attachments: 1. Resolution, 2. Purchasing Policy (redline), 3. Purchasing Policy (clean), 4. Matrix

Date	Ver.	Action By	Action	Result
2/27/2024	1	Board of Supervisors		

TO: Board of Supervisors

FROM: Ryan J. Alsop, County Executive Officer

REPORT BY: Andrew M. Mize, Legislative and Policy Analyst

SUBJECT: Resolution amending the Purchasing Policy and repealing the expired Environmentally Preferred Purchasing Policy

RECOMMENDATION

Adopt a Resolution amending Part I: Section 39 Napa County Purchasing Policy and repealing expired Part I: Section 8G Napa County Environmentally Preferred Purchasing Policy. (No Fiscal Impact)

BACKGROUND

The Napa County Purchasing Policy (“ Purchasing Policy”) was adopted in December 2010 via Resolution 2010-152 to provide guidance to the County Executive Officer as the Purchasing Agent, serving in this role pursuant to Napa County Code Section 2.36.030.

Since the Purchasing Policy was last updated in 2016 via Resolution 2016-128, the County Executive Office has found cause to further amend the Purchasing Policy to reflect challenges in the current contracting landscape and operational needs of departments. A working group representing several key departments

convened in mid-2023 to review and recommend updates. A draft policy was circulated to Department Heads for feedback. The revised recommended Purchasing Policy and a Matrix of the proposed changes are attached.

An Environmentally Preferred Purchasing Policy was adopted as Section 8G of the Policy Manual in November 2009 via Resolution 09-147. That policy automatically sunset in June 2011 and has since been maintained as an administrative procedural document. This proposed action will repeal expired Section 8G of the Policy Manual. The past policy and current procedural document for environmentally preferred purchasing, with edits, have been incorporated into the revised recommended Purchasing Policy.

Related to environmental purchasing, a policy restricting the use of county funds to purchase single use bottled water was adopted via Resolution 2018-98 in July 2018. The same restrictions have been incorporated into the revised recommended Purchasing Policy.

The Board authorized the Auditor-Controller and the Purchasing Agent to implement a Procurement Card (P-Card) Program via Resolution 2015-13 in June 2015. The P-Card guidelines have also been incorporated into the revised recommended Purchasing Policy.

Revisions to the Purchasing Policy will reduce administrative burden by improving operational efficiencies when processing small-magnitude purchases and contracts while maintaining effective controls and checks. The revised recommended Purchasing Policy will allow acceptance of electronic responses to bid solicitations in conformance with state regulations. Staff expects to implement this process later this year.

The following summary of proposed processing delegations will improve staff workflow. The maximum dollar amount of the Purchasing Agent's contract authority remains unchanged.

Contracts for Goods, Materials, Supplies and Equipment:

transactions less than \$5,000: no electronic requisition generally required

transaction of \$5,000 or more: electronic requisition and purchase order required

transaction less than \$10,000: Department Head approval

transaction of \$10,000 or more: Purchasing Agent approval

Contracts for Services:

Department Head Authority: annual aggregate to contractor of less than \$50,000 annually up to 5 year term

Purchasing Agent Authority: annual aggregate to contractor of less than \$50,000 annually as adjusted per

Consumer Price Index (currently \$82,200 per Gov. Code Section 25502.3) up to 5 year term

Departments processed 3,180 requisitions in FY 2022-23 with a total value of \$19.5 million. If the threshold had been \$5,000, there would have been approximately one-third fewer requisitions and purchase orders processed totaling \$2.5 million. The 33-35% transaction volume represented only 12-13% of the dollar value processed indicating that the average requisition involved is of relatively low value. Using a time range of 45 minutes - 1 hour of staff time across all departments processing a requisition, the recommended reduction in transactions is estimated to improve efficiency of 900-1,200 staff hours annually (22-30 weeks).

If the Department Head threshold had been \$50,000 in FY 2022-23, approximately 150-200 additional contracts would have been approved at the department level at a value of approximately \$2 million annually. The processing efficiency would reduce administrative burdens for about 1% of annual contract values.

A procedural document will be prepared to assist staff with implementation of the County’s purchasing functions.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	No
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	Modernize policy to inform current needs and to reduce administrative burdens.
Consequences if not approved:	Departments will continue to process an excessive number of transactions of lesser values in a more bureaucratic system.

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.