



# Board of Supervisors Memorandum

January 13, 2015

## Board of Supervisors Budget Development Transparency and Transfers to Community Nonprofit Organizations for Public Services

### Background

As directed by the Board of Supervisors at the public meeting of October 21, 2014, the following information and report provides for the Board background information on development of individual supervisor budgets, the uses thereof and recommendations regarding modifications the Board may wish to consider implementing.

#### I. Additional Budget Preparation for Individual Board Offices

Each fiscal year, the Budget Division provides the individual Supervisorial District Offices with a target or "base" budget. Historically, each District office is provided the same base budget, and this budget amount has varied over the years. Table 1 below shows the base budget provided to each office over the last five fiscal years.

**Table 1: Supervisorial District Offices Base Budgets,  
Last Five Fiscal Years.**

Fiscal Year	Base Budget Amount	Total All Districts
2010/11	373,937	1,869,685
2011/12	381,038	1,905,190
2012/13	390,692	1,953,460
2013/14	408,703	2,043,515
2014/15	399,086	1,995,430

The amount spent by each office also varies each fiscal year. Table 2 below shows the two most recent fiscal years for which audited information is available; showing budget-to-actual, the variance, and the amount returned to the General Fund to become the year ending fund balance for each office.

**Table 2: Supervisorial District Office Expenditures,  
Last Two Audited Fiscal Years.**

Fiscal Year/District	Budgeted Amount	Actual Amount	Variance/Amount Returned to General Fund
<b>2011/12</b>			
1	\$ 381,038	\$ 333,151	\$ 47,887
2	381,038	372,011	9,027
3	381,038	338,353	42,685

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4	381,038	343,519	37,519
5	381,038	382,059	(1,021)
<b>Totals</b>	<b>\$1,905,190</b>	<b>\$1,769,093</b>	<b>\$136,097</b>
<b>2012/13</b>			
1	390,692	354,802	\$ 35,890
2	390,692	366,418	24,274
3	390,692	340,412	50,280
4	390,692	337,587	53,105
5	390,692	388,609	2,083
<b>Totals</b>	<b>1,953,460</b>	<b>1,787,828</b>	<b>\$165,632</b>

The most significant cost associated with operating each district office is salary and benefits. For Fiscal Year (FY) 2014/15, the amount spent on budgeted salaries and benefits is shown in Table 3 below and varies between \$317,468 to as high as \$381,891. The balance of the funds between budgeted salaries, benefits and the base budget varies for each office. For FY 2014/15, the base budget is \$399,086; hence, each office has a varying amount of funds that can be spent for other expenses such as telephone, computer, office supplies, motor pool and other areas.

**Table 3: District Offices Salaries and Benefits Costs,  
 Fiscal Year 2014/15**

<b>District</b>	<b>Salaries</b>	<b>Benefits Costs</b>	<b>Total</b>
1	\$ 296,459	\$ 67,202	\$ 363,661
2	274,819	107,072	381,891
3	242,905	74,563	317,468
4	246,796	78,883	325,679
5	263,535	90,847	354,382
<b>Totals</b>	<b>\$1,324,514</b>	<b>\$418,567</b>	<b>\$1,743,081</b>

II. Individual Supervisorial District Office Budgets for FY 2014/15

Attachment 1 to this memorandum is the actual FY 2014/15 year budget for each District Office, as well as the Period 5 projection of expenditures. As you can see, there is a wide variance in the number and type of object numbers budgeted for each office. These budgets are generally constructed in consultation with each Board office's individual staff. If the specific budgeted items do not equal the total target budget, the

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Budget Division places the balance in a miscellaneous account, such as payment to agencies or other small accounts.

III. Use of Unspent Budgeted District Funds

At the end of each fiscal year, any fund remaining in a District office budget are transferred to the year ending fund balance of the County General Fund. This amount has varied over the years; but, as you can see by examining the actual versus budget expenditures in Table 2 above, it has ranged from \$136,097 in FY 2011/12 to \$165,632 in FY 2012/13. The amount returned also varies widely between each office for the years in question. In FY 2012/13, the amount has been as low as \$2,083 from District 5 to as high as \$53,015 from District 4. In FY 2013/14, the amount varied from as low as \$417 from District 2 to as high as \$64,788 from District 4.

IV. Disclosure of County Expenditures

As previously directed by the Board, to improve transparency of individual District office budget expenditures, all expenditures for each District Office are now posted at <http://webcms.pima.gov/cms/One.aspx?portalId=169&pageId=60987>.

In addition, OPENBOOKS (the State of Arizona's Transparency Website) <http://openbooks.az.gov/app/transparency/index.html;jsessionid=EB16967AB24D3EF9B7921C0262134A00> allows interested members of the public to access detailed documents related to any expenditure of any Board office.

V. Discretionary Individual District Budget Allocations to Federally Designated 501(c)(3) Organizations for Public Purposes

Concern has arisen regarding past practices of certain Board offices to allocate small discretionary grants to federally authorized nonprofit organizations for public purposes. The process, highlighted by the District 1 Supervisor and amplified in an October 10, 2014 letter from the Goldwater Institute, has been reviewed by the County Attorney and found to be a lawful practice based on the October 6, 2014 Legal Opinion the Board voted to release publicly.

Complaints ranged from circumventing Procurement policy in the grant awards to outright gifting public monies. The allocations made by Districts 5 and 3 were to nonprofit organizations or other public entities. Clearly, the allocations to other public entities for their purposes are not violations of the gift clause of the Constitution, and the public purposes and benefits of the transfers to other public entities are beneficial.

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For example, the contribution made by District 3 to Safe Graduation Night, a practice of the Flowing Wells School District, is of public benefit because it is designed to keep graduates safe on graduation night. There is a history of documented tragic vehicular collisions and other unlawful events occurring because of graduation night celebrations. To reduce or eliminate this possibility by conducting a graduation night event is clearly a public purpose by a public institution – a school district.

The other complaint is that these allocations are made by an individual supervisor, and the expenditures are not approved by the entire Board. This concern can easily be remedied and has been remedied by previous action of the Board to have any such expenditures or allocations be approved by the full Board at a public meeting.

The expenditures made by Districts 3 and 5 are lawful as opined by the County Attorney. They serve a public purpose in that they are either allocation to another governmental body for a public purpose or are appropriately allocated to a federally approved 501(c)(3) nonprofit organization that has a mission to advance public services in areas such as youth, education, housing, health or other public purpose for which the County is authorized to expend public monies.

VI. Outside Agency Review Process and Policies Governing the Allocation of Public Funds to Provide Public Services and Benefits through Nonprofit Agencies

The Goldwater Institute letter could also bring into question the practice of the County to annually fund a number of nonprofit organizations for the purpose of providing public services. Pima County has funded Outside Agency grants for many years and has had a formal Outside Agency Policy since April 1991. Outside Agency grants assist in funding community organizations that provide services that are legally authorized County services to Pima County citizens. The purpose of the program is to provide services over a wider area, to a more diverse citizenry, and more efficiently and cost effectively than the County can reach with direct County staff and programs. The grant program also leverages other federal, state and local funding and encourages the use of new and potentially more effective service methodologies. The program is an important contributor to the health, safety and economic net throughout Pima County.

There are currently three separate Outside Agency programs, which are:

1. The Community Services and Support Agency program, which is administered by the Community Development and Neighborhood Conservation Department and overseen and

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monitored by the Outside Agency Committee. The Committee has one appointee from each Supervisor and one from the County Administrator.

2. The Economic Development Agency program, which is administered by the County's Economic Development and Tourism Department; and

3. The General Services Agency program, which is managed by the Community Development and Neighborhood Conservation Department at the direction of the County Administrator and consists of inter-jurisdictional programs, including established block grant programs where the County contributes matching funds to obtain annual federal grants; or programs that are particularly critical to public health or education; or programs that provide unique community services, particularly to rural communities.

Attachment 2A is a revised policy regarding the Outside Agency program. This revised policy modernizes the document from 1991, and I recommend its approval. The current policy, hand annotated to facilitate comparison, is Attachment 2B to this memorandum.

It should be noted the Outside Agency review process has worked well in Pima County and prioritizes the most appropriate use of limited public fund for public purposes.

#### VII. Small Public Purpose Grants

The practice of individual Supervisor funding allocations to nonprofit organizations or other political subdivisions could be characterized as small grants. Regarding small public purpose grants that have previously been made by individual Supervisors, there are three options available to the Board for consideration regarding this practice. These three options are discussed below.

A. Outside Agency Subaccount. To avoid criticism such as that which has been levied against individual Board members for making public purpose funding grants to nonprofits or other governmental agencies, one option would be for the Board to create a subaccount within the Outside Agency review process by allocating \$7,500 from each district office budget (for a total of \$37,500) to an account entitled Small Public Purpose Grants to be administered by the Outside Agency Review Committee or a subcommittee of same. These small public purpose grants would not exceed \$2,500 in the aggregate per award; with a requirement that a majority of the allocations be \$1,000 or less and be for the purpose of supporting community events and activities that have a public purpose in the areas of education, health, public safety or economic development.

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B. Board Member Allocations. The second option would be to allow each Board member to continue to allocate small public purpose grants at their discretion subject to a more strict process as identified in proposed new Board of Supervisors Policy 36.2, Small Public Purpose Grants (Attachment 3). This would require detailed disclosure of the scope of the expenditure and certification that the expenditure is for a public purpose. A conflict of interest disclosure would also be made, and the allocation must ultimately be approved by the Board ratifying a small public service grant contract by an individual Supervisor. Continuation of the existing individual Board member discretion would be subject to stricter requirements, disclosure and ultimately Board approval of a contract before funding is expended.

C. Discontinuation. A third option would be to discontinue in its entirety the practice of individual Board members making small public purpose grants.

For either Option A or B, it is appropriate to have the funding requestor certify via an affidavit that the requested funding, if granted, will be used solely for a public purpose and does not constitute a gift in violation of the Arizona Constitution. Such is an appropriate representation to be made by nonprofit and/or governmental agencies requesting funding from the County. This should help assist the County if any expenditure is challenged as a violation of the gift clause of the Constitution or gifts interpreted from case law and that the public purpose funding provides direct benefits to the public and County for purposes for which the County is lawfully authorized to expend public monies.

VIII. Board Contingency Allocations to Nonprofit Organizations.

Occasionally, the Board will also, from the Contingency Fund, make allocations to nonprofit organizations or political subdivisions. Any such Board Contingency allocation should also follow the proposed Small Public Purpose Grant Policy. These types of allocations should be avoided, since the Contingency Fund should be reserved for unforeseen or new program funding that was not considered at the time of budget adoption.

Recommendation

I recommend the Board of Supervisors:

1. Approve the attached Board of Supervisors Policy E36.1: Outside Agency Funding Policy to replace the current policy entitled *Review of Requests and Monitoring of Contracts for Discretionary Funds Allocated to Outside Agencies for Economic Development, Health and Social Services.*

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2. Select Option VII.A, VII.B or VII.C above for implementation or reject all of these options and provide further direction to staff regarding development of a policy consistent with Board objectives.
3. If Option VII.B is approved, also approve new Board of Supervisors Policy E36.2, Small Public Purpose Grants.
4. Amend Paragraph XI.E, Funding Agreements, of Board of Supervisors Policy D29.4 as shown in Attachment 4.

Respectfully submitted,



C.H. Huckelberry  
County Administrator

CHH/mjk – January 2, 2015

Attachments

- c: Hank Atha, Deputy County Administrator for Community and Economic Development  
Lesley Lukach, Deputy County Attorney  
Tom Burke, Director, Finance and Risk Management  
George Widugiris, Director, Procurement

# ATTACHMENT 1

**BOARD OF SUPERVISORS, DISTRICT 1 EXPENDITURE PROJECTION - Unit 0021  
FY 2014-2015 Period 5**

**Personnel Services Detail**

*(Hourly rate based on Earnings & Leave Summary report for 11/19/2014)*

Incumbent	Remaining		Hours per pay period	Salary projection	Benefits projection	benefits 1 pay period
	Hourly Rate	Pay Periods				
LaMonna, Shirley 205892	30.3758	15.2	50.00	23,086	4,535	298.33
Cunningham, Ryan 850110	24.0385	15.2	80.00	29,231	9,939	653.85
Miller, Ally 000195	36.8269	15.2	80.00	44,782	14,115	928.59
Davis, Jeannie 850589	36.5400	15.2	80.00	44,433	11,205	737.19
Vacant 975605	25.0000	15.2		-		
Daffron, Maxwell 320102	26.0200	15.2	36.00	14,238	1,113	73.22
<b>Totals</b>				155,770	40,907	2,691.18

**Line Objects**

Object	FY 14-15 Adopted	YTD		YTD + Projected	Variance
		Through 12/5/2014	Projected 12/6/2014 7/5/2015		
4404 Other Misc Revenue - Operating	-	-	-	-	-
5400 Salaries & Wages	296,459	105,836	155,770	261,606	34,853
5431 Budgeted Benefits	67,202	25,646	40,907	66,553	649
5000 Office Supplies	4,200	529	3,671	4,200	-
5001 Software under \$100,000	500		500	500	-
5002 Computer Equipment < \$1k	500	500	-	500	-
5003 Food Supplies	1,500	106	1,394	1,500	-
5008 Books/Subscriptions/Videos	600		600	600	-
5010 Repair & Maintenance Supplies	100		100	100	-
5018 Other Operating Supplies	-	85	-	85	(85)
5020 Tools & Equip Under \$1,000	500		500	500	-
5138 In-State Training	-		-	-	-
5140 Travel in AZ	-	122	-	122	(122)
5141 Outside AZ Training	-		-	-	-
5142 Postage & Freight	500	30	470	500	-
5143 Printing and Microfilming	1,200		1,200	1,200	-
5147 Leases & Rentals	-		-	-	-
5149 R&M Machinery/Equip Srvcs	1,750		1,750	1,750	-
5152 Non-Medical Professional Serv	100		100	100	-
5162 Advertising	500	16	484	500	-
5300 Telephone & Internet	5,700	2,638	3,693	6,331	(631)
5305 Mileage Reimbursement	300	122	178	300	-
5306 Motor Pool Charges	8,500	2,743	3,840	6,583	1,917
5312 Other Miscellaneous Charges	6,685	74	6,611	6,685	-
5315 Payments to Agencies	2,290	-	2,290	2,290	-
5503 Furniture - NC	-		-	-	-
5504 Office Machine/Computer - NC	-	1,885	-	1,885	(1,885)
5508 Other Equipment - NC	-	32	-	32	(32)
<b>Total</b>	399,086	140,364	224,058	364,422	34,664

**BOARD OF SUPERVISORS, DISTRICT 2 EXPENDITURE PROJECTION - Unit 0022  
FY 2014-2015 Period 5**

**Personnel Services Detail**

*(Hourly rate based on Earnings & Leave Summary report for 11/19/2014)*

Incumbent	Hourly Rate	Remaining		Hours per pay period	Salary projection	Benefits projection	benefits 1 pay period
		Pay Periods					
Eckstrom, Jennifer 850588	37.6968	15.2		80.00	45,839	14,660	964.46
Gomez, Benny 963516	26.5125	15.2		80.00	32,239	14,160	931.60
Lundin, Michael 880058	26.5125	15.2		80.00	32,239	14,063	925.19
Valadez, Ramon 000197	36.8269	15.2		80.00	44,782	21,965	1,445.07
Vacant 220602	13.2600	15.2		-	-	-	
<b>Totals</b>					<b>155,099</b>	<b>64,848</b>	<b>4,266.32</b>

**Line Objects**

Object	FY 14-15 Adopted	YTD		Projected 12/6/2014	YTD + Projected	Variance
		Through 12/5/2014				
4404 Other Misc Revenue - Operating	-	-	-	-	-	-
5400 Salaries & Wages	274,819	110,635	155,099	265,734	9,085	
5431 Budgeted Benefits	107,072	46,361	64,848	111,209	(4,137)	
5000 Office Supplies	1,500	359	1,141	1,500	-	
5002 Computer Equipment < \$1k	800	800	-	800	-	
5003 Food Supplies	1,000	122	878	1,000	-	
5008 Books/Subscriptions/Videos	200	-	200	200	-	
5010 Repair & Maintenance Supplies	100	-	100	100	-	
5013 Janitorial Supplies	-	-	-	-	-	
5016 Arts & Crafts	-	-	-	-	-	
5018 Other Operation Supplies	-	-	-	-	-	
5020 Tools & Equip Under \$1,000	250	-	250	250	-	
5141 Outside AZ Travel	-	-	-	-	-	
5142 Postage & Freight	300	937	-	937	(637)	
5143 Printing and Microfilming	500	50	450	500	-	
5147 Leases & Rentals	-	-	-	-	-	
5149 R&M Machinery/Equip Srvcs	-	-	-	-	-	
5152 Non-Medical Professional Serv	100	7	93	100	-	
5300 Telephone & Internet	3,763	1,507	2,110	3,617	146	
5306 Motor Pool Charges	8,182	3,064	4,290	7,354	828	
5309 Dues and Memberships	-	100	-	100	(100)	
5312 Other Miscellaneous Charges	500	-	500	500	-	
5315 Payments to Agencies	-	-	-	-	-	
<b>Total</b>	<b>399,086</b>	<b>163,942</b>	<b>229,959</b>	<b>393,901</b>	<b>5,185</b>	

**BOARD OF SUPERVISORS, DISTRICT 3 EXPENDITURE PROJECTION - Unit 0023  
FY 2014-2015 Period 5**

**Personnel Services Detail**

*(Hourly rate based on Earnings & Leave Summary report for 11/19/2014)*

Incumbent	Remaining		Hours per pay period	Salary projection	Benefits projection	benefits 1 pay period
	Hourly Rate	Pay Periods				
Bronson, Sharon 000198	36.8269	15.2	80.00	44,782	16,425	1,080.61
Cabrera, Jennifer 850111	23.5000	15.2	80.00	28,728	8,317	547.16
Miller, Deborah 944549	26.5125	15.2	40.00	16,120	1,564	102.89
Navarro, Kristin 850587	37.6968	15.2	80.00	45,839	8,997	591.88
Ramirez, Anissa 960001	12.5000	15.2	80.00	15,200	3,184	209.46
<b>Totals</b>				<b>150,669</b>	<b>38,487</b>	<b>2,532.00</b>

**Line Objects**

Object	FY 14-15 Adopted	YTD		Projected 12/6/2014 7/5/2015	YTD + Projected	Variance
		Through 12/5/2014				
4404 Other Misc Revenue - Operating	-	-	-	-	-	-
5400 Salaries & Wages	242,905	102,065	150,669	252,734	(9,829)	
5431 Budgeted Benefits	74,563	27,454	38,487	65,941	8,622	
5000 Office Supplies	2,000	128	1,872	2,000	-	
5001 Software < \$100,000	2,500	-	2,500	2,500	-	
5002 Computer Equipment < \$1k	5,000	5,000	-	5,000	-	
5003 Food Supplies	1,500	58	1,442	1,500	-	
5008 Books/Subscriptions/Videos	1,000	294	706	1,000	-	
5010 Repair & Maintenance Supplies	100	-	100	100	-	
5018 Other Operation Supplies	2,500	500	2,000	2,500	-	
5020 Tools & Equip Under \$1,000	2,500	-	2,500	2,500	-	
5138 In-State Training	-	-	-	-	-	
5140 In-State Travel	10,000	614	9,386	10,000	-	
5141 Outside AZ Travel	-	2,218	-	2,218	(2,218)	
5142 Postage & Freight	1,500	166	1,334	1,500	-	
5143 Printing and Microfilming	1,200	-	1,200	1,200	-	
5147 Leases & Rentals	400	-	400	400	-	
5149 R&M Machinery/Equip Srvcs	4,000	-	4,000	4,000	-	
5152 Non-Medical Professional Serv	100	14	20	34	66	
5162 Advertising	-	500	-	500	(500)	
5300 Telephone & Internet	7,500	1,619	2,267	3,886	3,614	
5305 Mileage Reimbursement	1,200	-	1,200	1,200	-	
5306 Motor Pool Charges	20,671	3,646	5,104	8,750	11,921	
5309 Dues and Memberships	100	-	100	100	-	
5312 Other Miscellaneous Charges	5,000	98	4,902	5,000	-	
5315 Payments to Agencies	12,847	-	12,847	12,847	-	
5504 Office Machines/Comps Non-Capital	-	-	-	-	-	
<b>Total</b>	<b>399,086</b>	<b>144,374</b>	<b>243,036</b>	<b>387,410</b>	<b>11,676</b>	

**BOARD OF SUPERVISORS, DISTRICT 4 EXPENDITURE PROJECTION - Unit 0024  
FY 2014-2015 Period 5**

**Personnel Services Detail**

**(Hourly rate based on Earnings & Leave Summary report for 11/19/2014)**

**Note: staff declined 50 cent per hour increase approved by BOS in Adopted Budget**

Incumbent	Hourly Rate	Remaining		Gross Pay projection	Benefits projection	benefits 1 pay period
		Pay Periods	Hours per pay period			
Carroll, Raymond 000196	36.8269	15.2	80.00	44,782	22,179	1,459.14
Maxwell, Paula 880057	23.1134	15.2	48.00	17,016	3,458	227.49
Franco, Frank 930028	20.0000	15.2	80.00	24,472	6,436	423.42
Vacant 240952				-	-	
Alexander, Rosemary 318561	16.8800	15.2	36.00	9,237	750	49.33
Wong, Jennifer 850586	36.1394	15.2	80.00	43,946	11,381	748.74
<b>Totals</b>				<b>139,453</b>	<b>44,204</b>	<b>2,908.12</b>

**Line Objects**

Object	FY 14-15 Adopted	YTD Through 12/5/2014	Projected 12/6/2014 7/5/2015	YTD + Projected	Variance
5400 Salaries & Wages	246,796	99,675	139,453	239,128	7,668
5431 Budgeted Benefits	78,883	32,196	44,204	76,400	2,483
5000 Office Supplies	3,000	108	2,892	3,000	-
5001 Software < \$100,000	-	-	-	-	-
5002 Computer Equipment < \$1k	1,500	1,500	-	1,500	-
5003 Food Supplies	500	101	399	500	-
5008 Books/Subscriptions/Videos	300	321	-	321	(21)
5010 Repair & Maintenance Supplies	-	-	-	-	-
5017 Cameras, Film & Equipment	250	-	250	250	-
5018 Other Operation Supplies	100	-	100	100	-
5020 Tools & Equip Under \$1,000	1,000	-	1,000	1,000	-
5138 Training in AZ	1,000	-	1,000	1,000	-
5140 Travel in AZ	1,000	323	677	1,000	-
5141 Out-of-State Travel	10,500	722	9,778	10,500	-
5142 Postage & Freight	500	29	471	500	-
5143 Printing and Microfilming	600	-	600	600	-
5149 R&M Machinery/Equip Srvcs	200	7,907	-	7,907	(7,707)
5152 Non-Medical Professional Serv	100	-	100	100	-
5300 Telephone & Internet	6,100	1,601	2,241	3,842	2,258
5305 Mileage Reimbursement	300	-	300	300	-
5306 Motor Pool Charges	25,000	4,613	6,458	11,071	13,929
5309 Dues and Memberships	1,300	-	1,300	1,300	-
5312 Other Miscellaneous Charges	20,157	-	20,157	20,157	-
<b>Total</b>	<b>399,086</b>	<b>149,096</b>	<b>231,380</b>	<b>380,476</b>	<b>18,610</b>

**BOARD OF SUPERVISORS, DISTRICT 5 EXPENDITURE PROJECTION - Unit 0025**  
**FY 2014-2015 Period 5**

**Personnel Services Detail**

*(Hourly rate based on Earnings & Leave Summary report for 11/19/2014)*

Incumbent	Hourly Rate	Remaining Pay Periods	Hours per pay period	Salary projection	Benefits projection	benefits 1 pay period
Bagwell, Keith 850585	36.3972	15.2	80.00	44,259	14,614	961.46
Cano, Guadalupe Andres 980010	25.5585	15.2	80.00	31,079	6,216	408.93
Vacant 270601	14.7970	15.2	-	-	-	-
Elias, Richard 000199	36.8269	15.2	80.00	44,782	22,021	1,448.72
Quihuis, Evangelina 943021	16.8259	15.2	80.00	20,460	4,092	269.22
<b>Totals</b>				<b>140,580</b>	<b>46,943</b>	<b>3,088.33</b>

**Line Objects**

Object	FY 14-15 Adopted	YTD Through 12/5/2014	Projected 12/6/2014 7/5/2015	YTD + Projected	Variance
4404 Other Misc Revenue - Operating	-	-	-	-	-
5400 Salaries & Wages	263,535	97,601	140,580	238,181	25,354
5431 Budgeted Benefits	90,847	32,928	46,943	79,871	10,976
5000 Office Supplies	2,000	200	1,800	2,000	-
5001 Software < \$100,000	-	-	-	-	-
5002 Computer Equipment < \$1k	500	500	-	500	-
5003 Food Supplies	1,000	126	874	1,000	-
5004 Food Preparation Supplies	-	-	-	-	-
5008 Books/Subscriptions/Videos	750	298	452	750	-
5010 R&M Supplies	-	-	-	-	-
5018 Other Operating Supplies	1,000	-	1,000	1,000	-
5020 Tools & Equip Under \$1,000	500	-	500	500	-
5021 Furniture<\$1,000	-	-	-	-	-
5139 Out-of-State Training	-	-	-	-	-
5140 Travel in AZ	500	-	500	500	-
5141 Outside AZ Travel	500	1,961	-	1,961	(1,461)
5142 Postage & Freight	200	19	181	200	-
5143 Printing and Microfilming	1,000	-	1,000	1,000	-
5147 Leases & Rentals	250	-	250	250	-
5149 R&M Machinery/Equip Srvcs	40	-	40	40	-
5150 R&M Buildings	1,000	-	1,000	1,000	-
5152 Non-Medical Consultants	100	-	100	100	-
5162 Advertising	-	-	-	-	-
5300 Telephone & Internet	4,626	1,159	1,623	2,782	1,844
5306 Motor Pool Charges	6,000	3,076	4,306	7,382	(1,382)
5309 Dues & Memberships	500	150	350	500	-
5312 Other Miscellaneous Charges	500	-	500	500	-
5315 Payments to Agencies	23,738	7,500	10,500	18,000	5,738
5504 Office Machine - Computer NC	-	-	-	-	-
<b>Total</b>	<b>399,086</b>	<b>145,518</b>	<b>212,499</b>	<b>358,017</b>	<b>41,069</b>

# ATTACHMENT 2A



# PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

<b><u>Subject:</u>     Outside Agency Funding</b>  <b>(formerly known as Review of Requests and Monitoring of Contracts for Discretionary Funds Allocated to Outside Agencies for Economic Development, Health and Social Services)</b>	<b>Policy Number</b>	<b>Page</b>
	<b>E36.1</b>	<b>Page 1 of 3</b>

## A. Purpose

1. To establish a policy for processing, evaluating and granting or denying requests from Outside Agencies for funding for public programs and services the County is legally authorized to provide, including funding for economic development activities (A.R.S. §§ 11-254 and 11-254.04); healthcare (A.R.S § 11-251, subsections 5, 17, and 39); services for persons with disabilities or persons 60–years-of-age or older (A.R.S. § 11-267); employment and training programs for at-risk youth (A.R.S. §§ 11-1041 and 11-1042); and community arts organizations and programs (A.R.S. § 11-262).
2. To establish a policy and minimum requirements for the monitoring and auditing of Outside Agency contracts.

## B. Policy

1. Program. The Board of Supervisors may establish an Outside Agency grant program. The County Administrator shall designate the department or departments that will administer the Outside Agency program.
2. Budget. The Outside Agency budget shall be determined annually by the County Administrator and the Board in accordance with the regular County budget process. The Outside Agency account shall be part of the General Fund.
3. Proposals. Outside Agency funds shall be allocated by the Board after consideration of written proposals from agencies and departmental recommendations. Proposals shall stipulate the purpose, goals and objectives of the program for which funds are requested; define quantitative service units; and present and justify the program budget. Proposals may be solicited either annually or biannually in a two-year cycle. Biannual programs shall be reviewed prior to the end of the first year and renewal recommendations made to the County Administrator and the Board.
4. Proposal-Review Process. Each administering department shall establish a proposal-review process that shall be approved by the County Administrator. The process shall include a list of eligible and priority services; a mechanism for soliciting proposals; a defined period for submission of proposals; a standard proposal and budget format; and a review and rating of proposals by either a citizen or staff committee.

### A. *Funding Priorities.*

<b><u>Subject:</u>      Outside Agency Funding</b>	<b>Policy Number</b>	<b>Page</b>
	<b>E36.1</b>	<b>Page 2 of 3</b>

- I. Administering departments shall review service priorities prior to advertising the request for proposals. Priorities may include, but are not limited to, services that will eliminate or diminish the need for regular County-provided services; services that will match and attract additional federal, state or private funds into the County; economic development activities that will create new job opportunities in the County; and other priorities established by the County Administrator and the Board.
  - II. The County Administrator may recommend the Board allocate Outside Agency funds for programs of special relevance to the County or special urgency or importance to a community or communities. Examples of such programs include inter-jurisdictional boards, commissions and associations; public-health and public-education programs; matching funds required for established federal-block-grant organizations; and economic stimulus programs for rural communities.
- B. *Proposal Review.* Prior to initiating the committee-review process, the administering department shall assign staff to review each proposal for completeness and accuracy and to determine whether there are any questions about the County's legal authority to fund the program described in the proposal; in which case the proposal will be referred to the County Attorney's Office Civil Division for legal review. Each department shall follow its approved funding process to determine what recommendations will be made to the County Administrator and the Board.
5. Recommendations. In formulating its recommendations, each administering department shall consider the following: the County's legal authority to fund the program described; the impact of the service on the demand for other County services; any weighing or ranking of service priorities that are established by the County Administrator and the Board; the availability of other funding sources for the program; the availability of other similar services from private or governmental providers within the County; the type of service and the population served; the area of service and whether the target areas are underserved; the type of output, unit and outcome proposed; the program budget; the viability of the budget to cover the service costs throughout the fiscal year; the cost-benefit and efficiency of the program; equitable geographical distribution of the various programs for which funding is being recommended; the experience and track record of the proposer; the leverage or value of additional funds or resources attracted by the program; and the need and demand for the services to be provided.
  6. Contracts. Outside Agency funds may only be distributed to a successful proposer via a contractual agreement that has been approved by the County Attorney; is based on the successful proposal; complies with pertinent Arizona Statutes and legal requirements; clearly defines the purpose, target population, service delivery model, service outputs, units and outcomes of the funded program; sets forth the budget for the funded program; requires regular reports of expenditures and outcomes from the contractor; requires compliance with financial audit and reporting requirements of A.R.S. § 11-624; and includes clauses that limit the County's legal exposure and liability. In all cases, Pima County contract policies and procedures will be followed.
  7. Monitoring. Administering departments will periodically monitor the Outside Agencies to assure compliance with the terms and conditions of the contract. Each department shall summarize and report to the County Administrator and the Board annually or as often as they shall require regarding the Outside Agency expenditures and performance.

<b><u>Subject:</u>      Outside Agency Funding</b>	<b>Policy Number</b>	<b>Page</b>
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8. Payment.

A. Payment to the contractor shall normally be on a cost-reimbursement basis. Continued reimbursement will be conditioned upon the contractor's compliance with the contract and demonstration it is making reasonable progress toward meeting the service objectives of the program.

B. In special circumstances, the County Administrator may authorize payment of grant funds in advance rather than on a reimbursement basis.

9. Small Public Service Grants. Small funding awards to nonprofit tax-exempt charitable organizations may also be made from time to time by individual members of the Board of Supervisors, outside of the Outside Agency program, pursuant to Board of Supervisors Policy E36.2, Small Public Purpose Grants.

Responsible Departments

County Administrator  
Community Services Department

Effective: April 23, 1991  
Revised: January 13, 2015

# ATTACHMENT 2B



# PIMA COUNTY, ARIZONA

## BOARD OF SUPERVISORS POLICY

<u>Subject:</u>	<del>Review of Requests and Monitoring of Contracts for Discretionary Funds Allocated to Outside Agencies for Economic Development, Health and Social Services</del>	Policy Number	Page
	<i>Outside Agency Funding</i>	E 36.1	1 of 3

### *A.* Purpose

1. To establish a policy for the processing, review, evaluation and determination of priorities for funding of requests from Outside Agencies for services related to Economic Development, Health, Social Services.
2. To establish a policy and minimum requirements for the monitoring and auditing of discretionary fund contracts for Economic Development, Health and Social Services.

### ~~Background~~

~~Requests and suggestions for the use of discretionary Outside Agency funds are received directly by the Board, the Manager and various departments and by the Community Services Department (CSD) as part of the annual proposal process. The CSD reviews the proposals and monitors the contracts but with out clear Board policy regarding the allocations or the monitoring process. To ensure that these items are received, considered and monitored in an organized and uniform manner a policy regarding their processing, review and monitoring is adopted.~~

### *B.* Policy

1. *Program. New Language* ~~The "Outside Agency" (OA) program shall be administered by the Community Services Department (Department).~~
2. *Budget.* The Outside Agency budget shall be determined annually by the Board in accordance with regular County budget process. The Outside Agency account shall be part of the General Fund.
3. *Proposals.* Outside Agency funds shall be allocated by the Board pursuant to written proposals and Department Recommendations. Proposals shall meet Department standards and shall stipulate the purpose, goals and objectives of the program and shall define quantitative service units and present and justify the proposed budget.

*Outside Agency Funding*

Policy Con't

*Proposal - Review Process.*

4. *A* The Department shall review proposals at least once annually, normally in the third fiscal quarter. In special circumstances the Department may accept and review additional proposals during the year. If the review uncovers a service need of exceptional urgency or importance the Department may refer it for immediate consideration. ←

5. *X* Department staff shall review and summarize proposals and shall rank them and make recommendations to the manager regarding the priority and level of funding. The Department shall formulate its recommendations in accord with the following priorities: - services which will eliminate or diminish the need for regular County operated services; - proposals which will match and attract additional federal, state or private funds into the County; - economic development services which create new job opportunities; and such other priorities as may be established by the Board.

*5. Recommendations.*

6. *A* In formulating its recommendations the Department shall consider the following parameters: - the availability of alternative funds for the proposal; - the number of units of service proposed; - the cost, cost per unit, cost benefit and efficiency of the proposal; - equitable geographical distribution of the services provided; - the experience and track record of the proposer; - the leverage or value of additional funds or resources attracted by the proposal; - the need and demand for the services proposed; - the legal authority of the County to provide the service proposed; - the impact of the service on the demand for other County services; - any weighing or ranking of service priorities which is established by the Manager or the Board.

*6. Contracts.*

7. *A* OA funds shall only be distributed via contractual agreements which are based on the proposal, comply with pertinent Arizona Statutes, clearly define the purpose, work statement, budget, and service units to be provided, and which include clauses which limit the County's exposure and liability.

*7. Monitoring.*

8. *A* The Department shall monitor the contracts to assure compliance and provision of service and shall require regular reports of expenditures and of the units of service provided. The Department shall require compliance with ARS 11.624 regarding financial audits and may specify additional audit and reporting requirements. ←

9. *X* The Department shall summarize and report to the County Manager and the Board annually or as often as they shall require regarding OA expenditures and performance.

Policy Con't

8. *Payment.*
10. Payment to the contractor shall normally be on a cost reimbursement basis. Continued reimbursement shall depend upon reasonable progress toward meeting the service objectives. Advances may be made to the agency. Such advances shall be a debt owed to the County which is to be repaid by the contractor. The Community Services Director shall determine the legitimacy of costs, the reasonableness of progress and the need for the amount of advances.
- ~~11. The Department shall be funded for the staff needed to review proposals and prepare recommendations, and to write and monitor contracts and perform other duties related to the program.~~

Responsible Departments

1. County Manager
2. Community Service Department

~~Sunset Provision~~

~~This policy will be reviewed for continuance by 12-31-93.~~

Effective Date: 04/23/91

# ATTACHMENT 3



# PIMA COUNTY, ARIZONA BOARD OF SUPERVISORS POLICY

<b><u>Subject:</u></b> <b>Small Public Purpose Grants</b>	<b>Policy Number</b>	<b>Page</b>
	<b>E36.2</b>	<b>Page 1 of 2</b>

## A.      Purpose

1. To establish a policy for using a portion of the annual budget allocated to individual members of the Board of Supervisors to fund activities of nonprofit organizations, designated as tax-exempt under § 501(c)(3) of the Internal Revenue Code, that serve a specified public purpose.
2. To establish minimum requirements for the monitoring and auditing of grants funded under this Policy.

## B.      Background

Each member of the Board of Supervisors receives the same annual budget as each other Board member for the purpose of meeting expenses related to maintaining the Board member's office and providing services to constituents. Each Board member has discretion regarding the use of those funds. Individual Board members are often asked to provide funding from their adopted budget to support special events, activities, or programs of 501(c)(3) nonprofit organizations or school districts that provide services to the public and the community. Board Members may supply the requested funding under the terms and conditions set forth in this Policy.

## C.      Policy

1. "Small Public Service Grant" means a grant of \$2,500 or less that will be used to defray expenses incurred by the grant recipient to provide a particular event, service, program, project or function that has a defined and measurable public benefit. "Eligible Grant Recipient" means a community organization that is either a federally-designated tax-exempt 501(c)(3) nonprofit organization or a school district in Pima County.
2. In order to qualify for a Small Public Service Grant, the organization requesting the funding must be an Eligible Grant Recipient and must provide the following information and certifications to the individual Board member to whom the request is made:
  - a. Legal name of organization and proof of tax-exempt § 501(c)(3) status
  - b. Amount of funding requested (maximum = \$2,500)
  - c. Description of the event, service, program, project or function for which funding is requested and a description of the public benefits being produced, including specific goals and objectives
  - d. Description of measurable quantitative service units and outcomes
  - e. Citation of an Arizona statute that gives the County authority to expend funds for the stated purpose
3. If a Board member wishes to fund a Small Public Service Grant from within the District's adopted budget, the Board member must submit the information required in Item 2 above, together with the

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Board member's signed recommendation, to the County Attorney's Office for confirmation the planned use of the funds is within the County's legal authority.

4. Upon receiving the above confirmation from the County Attorney's Office, the Board member shall prepare a short-form contract that describes the services being funded, the public purpose being served, the statutory authority for the expenditure of public funds, and any other terms required by law, including the required reference to cancellation of contracts for conflicts-of-interest under A.R.S. § 38-511.
5. The short-form contract will be placed on the next available Board of Supervisors agenda for consideration by the full Board.
6. Upon Board approval, the request will be forwarded to the County's Finance and Risk Management Department for payment.

Responsible Departments

Board of Supervisors  
Finance and Risk Management Department

Effective Date: January 13, 2015

# ATTACHMENT 4



**PIMA COUNTY, ARIZONA  
BOARD OF SUPERVISORS POLICY**

<u>Subject:</u>  <b>Pima County Contracts Policy</b>	Policy Number	Page
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**I. Purpose**

To establish a consistent, uniform and efficient contracting policy and process that optimizes the prudent expenditure of public funds while protecting the interests of Pima County.

**II. Scope**

Applicable to all County employees and departments of Pima County, including those legal districts where the County Board of Supervisors serves as the district's Board, and all contractual arrangements or agreements ("contracts") established on behalf of the applicable entities. All such contracts and agreements shall be established consistent with and pursuant to the Pima County Procurement code, Board of Supervisor policies and Procurement procedures.

**III. Policy**

This Policy applies to all contractual arrangements or agreements, including all non-procurement or Procurement Code-exempt contracts as further described in this Policy. All contractual arrangements or agreements (excluding Grant Agreements) shall be processed through the Procurement Department in accordance with this Policy.

No County Department shall execute any contractual arrangement or agreement except as stated in this Policy unless such authority has been otherwise delegated in writing by the Procurement Director per Pima County Procurement Code Section 11.08.010, or by the Board of Supervisors.

The department engaging or acquiring the material or service is responsible for monitoring, evaluating and assuring the delivery of all contracted performance.

**IV. Centralized Contracts Processing and Repository**

All contracts (excluding Grant Agreements) requiring the approval of the Procurement Director or Board of Supervisors will be processed through the Procurement Department to assure proper administrative review. The Procurement Department will maintain a comprehensive contract repository system that will provide positive identification and retrieval of the contract documents. This repository and its contents shall be freely

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accessible as a public record, except where limited pursuant to confidentiality conditions prescribed in Policy D 29.2 (XVIII.).

**V. Contract Development**

- A. Wherever possible, all contract document forms will be initiated and developed by Pima County. Standard contract templates approved “as to form” by the County Attorney are available on the Procurement Department intranet website; other contract forms may be developed and approved “as to form” by or through the County Attorney’s office. All contract forms shall be developed and approved as defined by Section VI. of this policy.
- B. All contract documents must be reviewed, modified, executed and administered in accordance with Procurement Department procedures.
- C. All contracts must include, in general as well as specific provisions, all terms and conditions necessary to maximize protection of Pima County’s fiscal, legal, and functional liabilities to the greatest extent possible consistent with the form of contract.

Contracts for the acquisition of goods or services funded by Grant funds may require incorporation of additional terms and conditions to satisfy grant-related or other legal requirements. Departments shall consult with the “Grantor”, assigned legal counsel and the Finance Department, Grants Management Division to identify and assure inclusion of contract language that specifically assigns satisfaction of those requirements to either County or the Contractor and that optimizes and minimizes all legal, financial and functional liabilities of Pima County.

- D. The Procurement department, when requested, will provide contract drafting support to client departments.
- E. The Procurement Department and those delegated Procurement authority, are authorized to contract for materials and services through the issuance of discrete and finite contracts or purchase orders and “as required” annual contracts or master agreements from which documents such as a purchase order or delivery order may be issued. If consistent with the terms of the solicitation, the response submitted by the Contractor shall constitute a firm and binding offer to provide materials and services pursuant to the terms of the solicitation upon receipt by the County. County shall evidence acceptance through the issuance of a master agreement, contract, purchase order or delivery order issued by an authorized agent of Pima County, which upon issuance shall result in a Contract binding upon both parties without further action.

If specifically allowed under the terms of the solicitation issued by County, contracts under this section may be amended by the issuance of a revision to the master agreement, contract, purchase order or delivery order. The revision shall be effective

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and binding upon both parties if the Contractor fails to object to the revision within ten (10) days of the date of issuance by County.

Nothing in this section shall be construed to alter the scope of the Procurement Director’s signature authority as set forth elsewhere in this Policy, other Board Policy or Pima County Procurement code. Any contract that exceeds the Procurement Director’s signature authority shall be executed by the Board, with any subsequent amendment executed by the Board, subject to the exceptions set forth in Sections XI. and XIII. of this Policy.

In processing contract revisions under this section, the Procurement Director shall adhere to the requirements of Sections XI and XII of this Policy.

**VI. County Attorney Approval as to Form**

- A. All contracts committing the County to \$5,000.00 or more for the duration of the contract and all Intergovernmental Agreements will be approved as to form by the County Attorney before being submitted to the Contractor and to either the Procurement Director or the Board of Supervisors for approval, except as set forth below. Contracts under \$5,000.00, may be executed without County Attorney approval as to form, however, the Procurement Director may, on a case by case basis, request such review and approval.
- B. Notwithstanding the above requirement, contracts for materials, general and professional and architectural and engineering services, processed pursuant to Section (V.)(E.) that utilize a form of contract with standard terms and conditions previously approved by the County Attorney, and are valued at between \$5,000 and \$50,000 need not be subsequently approved as to form by the County Attorney.

**VII. Contract Term**

Contracts for materials and services – except for those that are tied to a specific single project – shall have a specific term that does not exceed one year unless there is specific statutory authorization, and the Procurement Director has approved an initial term of more than one year up to five years. Unless otherwise provided in the contract, contracts tied to a specific single project will terminate upon project acceptance and final payment by the County and release of retainage, if any. “As required” annual contracts with multi-year terms shall be evaluated for continuation or modification on an annual basis during the term of the contract. Contracts for the acquisition, conveyance or leasing of an interest in real property, the granting of licenses and franchises and other contracts involving real property may be for a term in excess of one year if in compliance with applicable law; provided, however, that if such term exceeds five years the Contract must be submitted to the Board

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for approval. All Contracts should specify any terms, such as indemnity provisions, that survive termination or expiration of the Contract term.

**VIII. Contract Scope**

Each proposed Contract must specifically define the exact materials or services to be provided, and include all monetary and non-monetary commitments of each party. It is the responsibility of the department engaging or acquiring the service or commodity to assure the Contractor’s strict compliance with ALL terms of the Contract.

**IX. Monetary Commitments**

All Contracts or agreements that involve payment of monies by the County, except “as required” Annual Contracts for general materials and services, must have a specific, or clearly ascertainable and objectively limited, dollar commitment, be it a fixed, budgetary, or “not-to-exceed” amount or an amount determined by application of a specified formula to specified data (that is, amounts such as verifiable operating expenses for a leased facility that are set at the discretion of the County or the Contractor, and closing costs for real estate acquisitions and sales).

**X. Central Procurement Administrative Processing and Retention**

Except for (i) Contracts originated by central Procurement, and (ii) Contracts that pursuant to this Policy do not require processing by Procurement, all Contracts must be:

1. Approved as to content by the Department Head or Authorized Signer;
2. Submitted by the Department to the County Attorney for legal review and approval “as to form” as required by this Policy;
3. Signed by the Contractor before submission to the Procurement Department; and
4. Executed by either the Procurement Director or the Board of Supervisors, pursuant to Section XI. of this Policy.

Where changes are required, the Contract will be returned to the originating Department Head or Authorized Signer, with appropriate recommendations.

Upon execution by either the Procurement Director or the Board of Supervisors, or as otherwise authorized by this Policy, the Contract shall be scanned to the County’s internet Public Portal by the Procurement Department and notification provided to the originating Department and Vendor.

One hardcopy of the contract or agreement will be retained by Procurement. Electronic, scanned or copied signatures are acceptable for the retained Procurement copy, unless otherwise indicated by the County Attorney. If other arrangements (e.g. additional

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hardcopies, triplicate ink signed originals, etc.) are required, the originating department must coordinate this with Procurement at time of submission of the Contract for processing.

If at any time the Clerk of the Board receives a contract or agreement for execution by the Board that has not been processed through the Procurement Department, the Clerk’s office should email the Procurement Director seeking direction with respect to the Contract. The Contract should be delivered to Procurement for processing before the Board of Supervisors executes the contract unless the Procurement Director indicates otherwise.

**XI. Contract Approval**

A. Standard Contracts:

Unless otherwise specified in this policy, all Contracts and amendments shall be approved and signed by the Procurement Director, authorized designee or the Board of Supervisors, as set forth below:

- Contracts valued at \$250,000 (revenue or expense) or less per year, except as listed below, may be approved by the Procurement Director, or authorized designee.
- The following Contracts must be approved and executed by the Board:
  - Contracts involving revenues or expenditures of more than \$250,000 per year;
  - Contracts with a term of more than five years, including all renewals;
  - Contracts for professional services procured pursuant to BOS Policy D29.6 greater than \$50,000;
  - Intergovernmental Agreements;
  - Grant awards made to the County; and
  - Funding agreements authorized by A.R.S. § 11-254.
- Notwithstanding any provision in this policy to the contrary, the Procurement Director or authorized designee may execute Contracts pursuant to Section (V.)(E.) for the purchase of materials in any amount and any revisions to such contracts, provided that the Board shall make any *award* that exceeds the Procurement Director’s award authority.

B. Grant Awards to Pima County:

All agreements to accept grants awarded to the County shall be executed by the Board of Supervisors. Departments shall comply with BOS Policy D 22.6, which governs all

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grant awards to Pima County. Grant awards and execution of agreements must be processed through the Finance Department, Grants Management Division for approval and signature.

C. Design & Construction Contracts:

Design & Construction Contracts for \$250,000 or less shall be awarded and executed by the Procurement Director. Design & Construction Contracts for more than \$250,000 shall be awarded by the Board, based upon the Recommendation for Award presented to the Board of Supervisors at a regularly scheduled Board meeting. The Board award will authorize the execution of the Contract by the Chair of the Board of Supervisors. Ratification of the Contract shall not be required if the elements of the required work and contract award amount are not changed from previous Board approval. The execution of the Contract shall be obtained following standard "signature only" contracts processing procedures through the Procurement Department.

D. Emergency Contracts:

Emergency Contracts for materials and services, excluding design and construction services, shall be acquired in accordance with Procurement Code Section 11.12.060. Emergency contracts for design and construction services shall be acquired in accordance with Arizona Revised Statutes Title 34. The responsible department shall prepare supporting justification of need and provide this with the Contract to the Procurement Department in accordance with standard processing procedures. The Procurement Director shall review the documentation, and determine whether the appropriate basis exists for the emergency procurement. If the Procurement Director determines that the required necessity has been shown, and pursuant to approval by the County Administrator, he may execute the Contract on behalf of Pima County if equal to or less than \$250,000, or equal to or less than \$50,000 if professional services pursuant to Policy D 29.6. Emergency contracts more than \$250,000, or more than \$50,000 for professional services pursuant to D 29.6, shall be executed by the Chair of the Board of Supervisors and subsequently ratified by the Board. If the Procurement Director determines that the emergency procurement is not justified, he will so notify the originating department which may, if appropriate, supply additional information and request reconsideration.

E. Funding Agreements:

As authorized by A.R.S. § 11-254 and BOS ~~Policy~~ Policies E-E36.1 and E36.2, the County has developed several programs for awarding County funds to federally tax-exempt non-profit corporations and government agencies, to be used for specified public purposes. All such awards must be approved by the Board of Supervisors. Selection of grant recipients and the drafting and processing of the resulting grant contracts will be

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~~done as provided in the referenced policies. Grants or sub-grants and resulting agreements shall follow established internal selection procedures and utilize contract templates developed specifically for that purpose. Funding agreements must be for a specified community/public purpose; the funded agency must be a government agency or federally tax exempt non-profit entity with a tax identification number, registered in Procurement's vendor database; funding must provide community and economic development benefits; and depending upon the value of award, may be authorized via Board Policy D-29.3 or through a standard funding agreement template. An aggregate funding cap will be approved and monitored by Budget Control for these purposes annually.~~

~~Funding agreements will be drafted by the funding department and, regardless of the dollar amount involved, must be processed for signature by the Chair after Board action approving the funding and purpose, except that funding amounts less than \$5,000 may be authorized and paid pursuant to Board Policy D29.3.~~

F. Legal Services Contracts:

The contracting of legal services (e.g. experts and attorneys retained to provide testimony or other professional services relating to pending or anticipated litigation or administrative proceedings) is exempt from the Procurement Code per Section 11.04.020 and is not required to follow the competitive processes outlined in Chapter 11.12.

Though exempt from the Procurement Code, the above types of contractual arrangements or agreements must be processed through the Procurement Department for central review and executed by the Procurement Director or Board of Supervisors per the requirements of this Policy.

Contracting for attorney services shall adhere to the following guidelines:

- a. An applicant for a legal services contract shall not be a current Pima County employee at the time of application and for the duration of any contract.
- b. Pima County Attorneys, Pima County Public Defenders and Pima County Legal Defenders who were employed by the County for less than five (5) consecutive years shall be restricted from applying for an indigent legal defense Contract for one year following retirement or resignation from Pima County employment.
- c. Applicants for indigent legal defense contracts must submit appropriate documentation to enable the County to verify the character, ethics and reputation of the applicant and shall reject the application of any applicant who discloses any criminal charges or criminal complaints, criminal convictions, or the completion of

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any type of deferred prosecution that constitutes a criminal conviction on the underlying criminal charge within the five year period prior to initial application for an indigent legal defense Contract. A rejected applicant may appeal to the Board of Supervisors.

G. Real Property Agreements:

Real Property Agreements are generally exempt from the competitive requirements of Section 11.04.020 Procurement code. Real Property agreements include but are not limited to:

- Services related to land titles, appraisals, real property acquisitions, relocation, or property management;
- Contracts and conveyance instruments involving the acquisition or disposition of any *real property interests* (including the use of County property by other entities or individuals); and
- The use by the County of non-County owned property, on either a short term or long term basis; i.e., leases, licenses, easements, permits, etc.

At the determination of the County Attorney, the above types of contractual arrangements or agreements not utilizing a standard form of contract previously approved by the County Attorney or pose a liability concern shall be processed through the Procurement Department for central review and executed by the Procurement Director or Board of Supervisors per the requirements of this Policy.

H. Other Non-Procurement Contracts:

Non-Procurement Contracts are agreements or arrangements that do not involve competitive acquisition of materials, services, equipment or construction and are outside the scope of the Procurement Code. Non-Procurement Contracts may include but are not limited to:

- Intergovernmental agreements (even where there is some exchange of services or funding);
- Revenue contracts;
- Contracts involving the *disposition or conveyance* (rather than acquisition) of materials or services;
- Approval or acceptance of certifications or undertakings by third parties in connection with any regulatory approval process (i.e., development assurances); and

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- Issuance by the County of permits related to regulatory requirements of a technical nature (i.e., building, flood control, environmental permits, etc.).

With the exception of Intergovernmental Agreements, grant awards made to County, and funding agreements, the Procurement Director may execute these contracts if they do not obligate the County for more than five years or for an expenditure of more than \$250,000 annually. The Procurement Director may approve Software License Agreements that exceed five years, provided the license agreement does not obligate the County to an expenditure of more than \$250,000 annually in the first five years.

I. Standard Form Permits and Licenses:

Unilateral, standard form permits and licenses that are issued by the County in exchange for payment of a standard fee are not treated as “contracts” subject to approval and processing through the Procurement Department. This includes such things as permits for the temporary exclusive use of park facilities; rights of entry for county officials to enter upon the property of another for temporary use or inspection; licensing the use of County data; and building and other development-related technical permits. In addition, the Board may at times delegate signature authority of supplemental documents and instruments necessary to complete or “close” a transaction to other officials or staff at the County (such as deeds, easements, real property closing statements, supplemental site-specific use agreements, final grant agreements, etc.); the scope of this delegation will vary. The form of these permits and licenses, and any requirements or parameters with respect to their use, must be approved by the County Attorney’s Office and Risk Management. Provided that the requirements and parameters are followed and the standard form of permit or license is used, individual documents of these types need not be reviewed by the County Attorney’s Office or Risk Management.

**XII. Authorization to Proceed and Retroactive Effective Dates**

Authorization to proceed or performance under Contract is not permitted until after the Contract is fully signed and executed. If a department has a particular need to process a Contract with a retroactive start date, the Contract, with accompanying justification supporting its retroactive execution, must be submitted through the Procurement Department following standard Contract processing procedures. The Procurement Director shall review the retroactive request and make a determination whether processing the Contract retroactively is in the best interest of Pima County. Contracts not approved will be returned to the department with instructions to follow Contract procedures to meet these requirements.

**XIII. Contract Modifications**

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All Contract modifications, including but not limited to: scope modifications, time extensions, dollar amount, and/or name, location or contact information changes, shall be executed in the form of a Contract Amendment. Templates for departmental use are available on the Procurement Intranet website.

All amendments to Intergovernmental Agreements, grant awards made to County, and funding agreements must be approved and executed by the Board. Amendments to other types of Contracts involving a total expenditure of no more than \$250,000 per year may be approved and executed by the Procurement Director. Amendments to Contracts involving expenditures in excess of \$250,000 per year, or a term of five years or longer (either originally or as a result of the contemplated amendment), must be approved and executed by the Board except as follows:

The Procurement Director may execute an amendment to any Contract initially approved by the Board, other than Intergovernmental Agreements, grant awards made to County, and Funding Agreements, provided the amendment is limited to term extensions of less than a maximum term of five years as permitted in the original Contract, changes to the name, location or contact information of the Contractor and does not alter the scope of the Contract or the monetary commitment of the initial Board award.

Contract amendments shall be processed according to standard contract processing procedures except that certain changes to construction contracts will be processed in accordance with the Procurement Code Section 11.16.010 C.

**XIV. Contract Termination**

Any department intending to terminate a contract for convenience or cause must notify the Procurement Department of its intent before termination proceeds. If the Procurement Department determines that cause exists to terminate the contract or if the department intends to terminate for convenience, the Procurement Department shall notify the contractor of the County's intent to terminate the Contract. The Procurement Department shall then draft a document that terminates the contract in accordance with the termination procedures in the Contract and forward that notice document to the authority that executed the original Contract for signature, after approval by the County Attorney's Office. If the contract does not specify termination procedures, the effective date shall be thirty days after the notice of intent to terminate or as specified in the notice of termination, whichever is earlier. The termination notice shall become a part of the official contract file.

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**XV. Administrative Follow-up**

For contracts required to be procured by the Procurement department as defined by Pima County Procurement code the Procurement Department will, in cooperation with involved departments, follow up on matters such as certificates of insurance, performance bonds, retentions, expirations, cancellations, renewals, and other contract administration matters not directly related to delivery of the service or commodity to be supplied under the Contract. Contractors and departments must reference the Contract Number on all bonds, insurance certificates, invoices, credits, correspondence and other documents related to the Contract.

**XVI. Procedures**

Specific procedures that detail a uniform process and consistent standards for development, execution, and monitoring of all contracts to protect and maximize the taxpayers' investment in Pima County government pursuant to this Policy shall be the responsibility of the Procurement Director.

Adoption Date: November 6, 1990  
Revised Dates: August 18, 1997  
November 14, 2000  
December 17, 2002  
November 18, 2003  
May 3, 2005  
September 2005  
October 1, 2005  
July 11, 2006  
August 21, 2006  
November 14, 2006  
February 6, 2007  
April 1, 2011  
November 19, 2013  
  
Effective Date: ~~November 19, 2013~~  
January 13, 2015  
January 13, 2015