



MEMORANDUM

Date: June 21, 2017

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry,
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Proposed Procurement Code and Policy Changes**

During the June 6, 2017 Board of Supervisors meeting, there was discussion regarding a review of the procurement processes. The Procurement Director has been working on a comprehensive review of the Pima County Code Title 11, Procurement, and Title 20, Small Business Enterprise, and Board of Supervisors Policy D29 Series, Procurement.

Attached is an Executive Summary on the Proposed Procurement Code and Policy Changes for your review. The Procurement Director is available to answer any questions and receive input on the proposed summary of changes. Details of the proposed Code and Policy changes will be provided in the next few weeks after the collection and review of questions and comments.

CHH/mjk

Attachment

c: Tom Burke, Deputy County Administrator for Administration
Mary Jo Furphy, Procurement Director



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Mary Jo Furphy
Procurement Director

Executive Summary on Proposed Procurement Code and Policy Changes

A complete review of Pima County Code Title 11 and 20, and Board of Supervisors Policy D29 series was conducted. Changes have not been made to Code since 2012 when a minor change was made to Title 11 and in 2011 when changes were made to both Title 11 and 20 due to Proposition 107. It is recommended that all threshold levels be brought in line with state statute and clarifications to Code and Policy be addressed. The opportunity to make cosmetic changes was taken while content changes are being proposed to the documents. Additionally, on the advice of the County Attorney's Office, "shall" was removed from Policy and substituted with "will" or "must". A summary of the proposed changes are below.

Title 11, Pima County Procurement Code

Previous code change has converted dollar thresholds from an exact dollar amount to the statute reference. This version completes that exercise with a change to 11.12.030 – Professional services and 11.12.040 – Small purchases. When the formal bid threshold was increased by statute from \$50,000 to \$100,000 in September 2013, 11.12.030 – Professional services was not included since a specific dollar amount is stated as opposed to A.R.S. §41-2535. Likewise, when the small purchase threshold was increased by statute from \$5,000 to \$10,000 in February 2015, 11.12.040 – Small purchases was not included since a specific dollar amount is stated as opposed to A.R.S. §41-254.01.C.

In 11.20.010 – Protests, the sections regarding a protest hearing are removed. Those prescribed steps have been in the Code since its adoption in 1997. To the Procurement Department's knowledge, this process has not been used, certainly not in the last 16 years. The removal of this step, replicates the process that has been occurring and allows for a more efficient process to a resolution. Other clarifications bring Code up to date with Board Policy, practice or other regulations, such as authority for awarding certain software contracts over a five-year term and multiple contracts.

Title 20, Pima County Procurement Code

This Code has changed drastically since first adopted in 1997. It is currently a race and gender neutral program that encourages the use of small business enterprises. Subcontracting goals for goods and general services and professional services, including A&E services, were added to the Code in 2009. They are removed in this version for goods, general services and, in some cases, professional services. Those elements of code have not been practiced and it is impractical to apply goals in these areas due to a very limited pool of potential vendors and the extensive effort to set goals and monitor compliance.

Changes of some authority from the County Administrator to the Procurement Director are included to reflect current and past practice. The Sunset date chapter is removed. Changes include the conversion of dollar thresholds from an exact dollar amount to the statute reference and updated definition for Small Business Enterprise.

Board of Supervisors Policy D29 Series

D29.1

- Clarifications include the Qualified Consultant List cap on an annual basis.
- The solicitation may include an estimated price range for the services.
- Removed requirement for departments to notify the Board of Supervisors if they intended to use an Alternative Project Delivery Method (ADPM). ADPM is now a common practice and this request process has not been occurring.
- Removed attachment of form.

D29.2

- To reflect current hierarchy, added "or designee" to the reporting structure of the Procurement Director.
- Added an example of a no substitute justification that includes equipment if a part of their standardization plan. Simply stating it is a department's standard on the justification is not satisfactory. The department must have a documented standardization plan.
- Definition of vendor added.

D29.3

- Increased the small purchase threshold from \$5,000 to \$10,000.
- Added definition for annual aggregate and amended definition of Materials and General Non-Professional Services.
- Expanded the definition of court-related and legal expenses.

D29.4 is rewritten in its entirety to reorganize the content. In addition, content changes have been made as follows:

- Centralized Contracts Processing and Repository
 - o Added language to clarify that this includes contracts exempt from the Procurement Code and contracts signed by delegated authority.
- Contracts
 - o A listing of different types of contracts with definitions was centralized to one section. Most definitions were previously located in the Contract Approval section and intermingled with approval authority. Some definitions are updated.
- Contract Development
 - o Section E restated to clarify process.
- County Attorney Approval as to Form
 - o Increased threshold to \$10,000 to correlate with proposed small purchase threshold.
 - o Language added to address approval of real property contract forms.
- Monetary Commitments
 - o Clarified language to include receipt of monies.
- Contract Approval
 - o Reduced to contracts approvals based on signing authority.
 - o Clarified Award versus contract authority
 - o Added delegated authority.
 - o Changed D29.6 signing authority threshold from \$50,000 to \$100,00 to correlate to code and D29.6 change.
 - o Added ratification process.
- Authorization to Proceed and Retroactive Effective Dates
 - o Amended requirement to review and make a determination to include all signing authorities.

- Contract Modifications/Amendments
 - o Clarified signing authority for amendments.

D29.6

- Increased threshold from \$50,000 to \$100,000 to correlate with A.R.S. §41-2535 and the formal bid threshold used for goods and general services. When the formal bid threshold was increased in September 2013, this Policy was not included. In 2005, when the formal bid threshold was increased from \$35,000 to \$50,000, the new threshold was applied to all procurements, including this Policy.
- Direct Selection approvals are submitted directly to the County Administrator.

D29.7

- Removed "human" from the purpose to include medical care of animals by Pima Animal Care Center.
- Added another condition for waiver of procurement rules.
- Expanded definition of "any willing, qualified provider".
- Added statement to obtain Risk Management review and approval.

D29.8

- Clarified that the Small Business Enterprise (SBE) Policy does not apply to federally funded contracts.
- Clarified location of SBE database.
- Updated language to address new small purchase threshold of \$10,000 and formal bid threshold of \$100,000.
- Language added for Procurement to comply with Code in the application of SBE participation in professional services.
- Changed language to reflect closing of Vendor Relations/SBE Division and names new responsible party.
- Moved goal-setting procedure to a Procurement procedure.

D29.9

- No content changes.

D29.10

- Removed references to M/W since repealed in 2011.
- Restated how the Procurement Department will comply with Disadvantaged Business Enterprise (DBE) requirements for federally supported projects.

D29.11

- Reorganized definitions.
- Clarified that Board permission to dispose of property by trade in through a procurement process will be obtained by the Procurement Department.
- Scrap/salvageable waste disposal added as disposal method.
- Clarified that the matrix on page four that defines authority is a part of the Policy.