



AGENDA STAFF REPORT

ASR Control 23-000787

MEETING DATE: 10/31/23
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: County Executive Office (Approved)
DEPARTMENT CONTACT PERSON(S): Michelle Aguirre (714) 834-4304
 Maria Agrusa (714) 834-6889

SUBJECT: Approve 2024 Contract Policy Manual

CEO CONCUR Concur	COUNTY COUNSEL REVIEW Approved Resolution to Form	CLERK OF THE BOARD Discussion 3 Votes Board Majority
-----------------------------	---	---

Budgeted: N/A **Current Year Cost:** N/A **Annual Cost:** N/A
Staffing Impact: No **# of Positions:** **Sole Source:** N/A
Current Fiscal Year Revenue: N/A
Funding Source: N/A **County Audit in last 3 years:** N/A
Levine Act Review Completed: N/A
Prior Board Action: 5/11/2021 #41, 4/27/2021 #53, 10/6/2020 #S16B, 8/13/2019 #19

RECOMMENDED ACTION(S):

1. Approve 2024 Contract Policy Manual, effective January 1, 2024.
2. Adopt amended Resolution authorizing the Director of OC Public Works, Sheriff-Coroner or those qualified County officials or department designees identified by the Director of OC Public Works or Sheriff-Coroner to advertise bids in the manner set forth in Public Contract Code Section 22037 for the performance of public projects described in Public Contract Code Section 22032(c) on behalf of the County of Orange.

SUMMARY:

Approval of the 2024 Contract Policy Manual and Resolution will update procurement policies, enhance the County of Orange Procurement Preference Policy and consolidate procurement-related policies into one comprehensive manual for consistency and efficiency.

BACKGROUND INFORMATION:

The County's Contract Policy Manual (CPM) was previously updated and approved by the Board of Supervisors (Board) on June 26, 2018, August 13, 2019, and May 11, 2021. On October 6, 2020, the Board approved the Disabled Veteran Business Enterprise (DVBE) Preference Policy and directed CPO to implement the DVBE Preference Policy, effective January 1, 2021, and to update the CPM to reflect implementation of the Policy. On April 27, 2021, the Board approved the adoption of an ordinance to update procurement policies related to competitive bidding and disposition of County surplus property.

On November 2, 2021, then Chairman Do, established the Procurement Ad Hoc Committee to review and discuss updates to the CPM. The Board designated then Vice Chairman Chaffee and Chairman Do to the Ad Hoc Committee. Following a series of meetings and input from key County stakeholders, including the County Executive Office (CEO), County Counsel, OC Public Works, CEO Real Estate Services and the Procurement Council, the 2024 revision of the CPM is presented for Board consideration and approval. The CPM updates consisted of substantive changes, including various enhancements to the Preference Policy, review and consolidation of the County’s Design and Construction Procurement Policy Manual and incorporation of various Real Estate procurement-related policies; thus, additional time was necessary to conduct research associated with the revisions and to ensure appropriate review and input was obtained from key stakeholders.

Key elements of the revisions recommended by the Procurement Ad Hoc Committee are identified below. All revisions are shown in the redlined 2024 CPM (Attachment B).

- Incorporate into the CPM and consolidate the policies of the Design and Construction Procurement Policy Manual and Real Estate Procurement related policies to ensure one comprehensive procurement manual and further enhance standardization of procurement contracts. [Section 1.6.1, Sections 3.4–3.7]
- Consolidate Human Services Contracts and Service Contracts sections to properly align policies and ensure consistency. [Section 3.3-101(1)(i)]
- Reorganize as its own section and enhance the County of Orange Procurement Preference Policy to incorporate [Section 1.8]:
 - Eligibility for contractors to qualify for the preference using Orange County Local Small Business (OCLSB) and Disabled Veteran Business Enterprise (DVBE) subcontractors [Section 1.8-102(3)]
 - A (3) three percent award requirement to OCLSB/DVBE subcontractors for public works projects over \$5,000,000, except as otherwise required or prohibited by Federal or State funding requirements [Section 3.6-107]
- Increase the solicitation thresholds for Commodity, Capital Asset and Service Contracts. [Sections 3.1-106(1), 3.2-106(1), 3.3-109(1)]

Contract Type	Solicitation Method	Previous Threshold	Revised Threshold
Commodity	Minimum of one written quote	\$10,000 or less over the life of the contract	\$25,000 or less over the life of the contract

	Minimum of two written quotes Written solicitation issued on County's bidding system	\$10,001 to \$25,000 over the life of the contract Above \$25,000 over the life of the contract	\$25,001 to \$50,000 over the life of the contract Above \$50,000 over the life of the contract
Capital Asset	Minimum of two written quotes Written solicitation issued on County's bidding system	\$5,000 to \$25,000 over the life of the contract Above \$25,000 over the life of the contract	\$5,000 to \$50,000 over the life of the contract Above \$50,000 over the life of the contract
Service	Minimum of one written quote Written solicitation issued on County's bidding system	\$50,000 or less over the life of the contract Above \$50,000 over the life of the contract	\$100,000 or less over the life of the contract Above \$100,000 over the life of the contract

- Revise the Sole Source monetary and term thresholds for Board approval for Service Contracts, including Architect-Engineering Services. [Section 3.3-102(b), Section 3.4-105(2)]

Service Contract and Architect-Engineering Services	Previous Thresholds	Revised Thresholds
Monetary	\$75,000	\$100,000
Term	Two (2) year consecutive term	Five (5) year term

- Allow extensions of Commodities and Services contracts up to one year beyond the fifth year provided there are no monetary increases. For example, additional time may be needed to conduct a solicitation. [Section 3.1-104; Section 3.3-106]
- Update retroactive contract approval thresholds. [Section 3.1-108(1)(b), Section 3.2-108(1)(b), Section 3.3-111(1)(b)]

Approval Level	Previous Thresholds	Revised Thresholds
Department Head	\$500 or less	No Change
Chief Financial Officer and County Procurement Officer	Between \$500 and \$9,999	Exceeds \$500 but \$25,000 or less
Board of Supervisors	\$10,000 and above	Exceeds \$25,000

- Incorporate Memorandum of Understanding (MOU) section, which establishes definitions and policies for the use of MOUs. [Section 3.8]
- Update the Discussion Calendar contract threshold for ASRs to align with the recently updated and Board approved Board Rules as shown below. [Section 3.3-107(1)(b)]

Calendar	Previous	Revised
Consent	Contracts \$750,000 or less	Contracts \$1,000,000 or less Straight contract renewals (no monetary or scope of work revisions)
Discussion	Contracts exceeding \$750,000	Contracts exceeding \$1,000,000

- To align with current industry standards, update the Two-Step Solicitation Process to require an evaluation-based solicitation for both steps (Step 1 – Request for Qualifications, Step 2 – Request for Proposals). [Section 4.4]
- Incorporate authority for the procurement of cash alternatives (e.g., gift cards), food, travel and court-ordered commodities/services. [Section 1.1-107(1), 3.1-101(1)(f), 3.1-122]

The recommended implementation date following Board approval of the 2024 CPM is January 1, 2024, to allow time for development and revision of documentation and procedures, and to educate department Deputy Purchasing Agents on the revisions.

Resolution of Delegation

As the Design and Construction Procurement Policy Manual will be consolidated into the 2024 CPM, approval of the amended Resolution will continue to authorize the Director of OC Public Works, Sheriff-Coroner or those qualified County officials or department designees identified by the Director of OC Public Works or Sheriff-Coroner to advertise for bids, which includes the adoption of plans, specifications, and working details, in accordance with the Public Contract Code for public works projects on behalf of the County and the Orange County Flood Control District.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

Attachment A – 2024 Contract Policy Manual

Attachment B – Redline - Contract Policy Manual

Attachment C – Resolution