



COMMITTEE ROUTING	
Administrative/Finance	<input type="checkbox"/>
Operations	<input type="checkbox"/>
Executive	<input checked="" type="checkbox"/>

ACTION AGENDA SUMMARY

AGENDA DATE: November 30, 2021

COMMISSION AGENDA #: 8.A. (PUBLIC HEARING)

SUBJECT:

Public Hearing to Consider Approval of Amendments to the Policies and Procedures Manual

BACKGROUND:

The Stanislaus County Children and Families Commission (Commission) approves policies and procedures which include items related to operations, administrative, financial policies, and evaluation activities of the organization. The Commission has an approved Policies and Procedures Manual to govern Commission and contractor operations. The current Manual can be found on the First 5 Stanislaus website on the Commission information page: <http://www.first5stan.org/commission.shtm>. Staff periodically review the manual and recommended changes are brought to the Commission for consideration.

Attached to this summary is Section 409, it is a proposed addition to the Policies and Procedures Manual. Section 409 would add clarity to the purchasing process of the Commission including authorities given to the Executive Director. If approved by the Commission as presented, the Policy & Procedures Manual will be updated to reflect the policy revisions as well as authorization for minor, non-substantive changes, such as numbering and formatting, etc.

Section 204 of the Policies and Procedures Manual directs that: *"Except when certain provisions are not applicable to Commission operations, the County of Stanislaus' purchasing and procurement policies shall be the purchasing and procurement policies for the Stanislaus County Children and Families Commission."* The Commission uses the County's purchasing and procurement policies as a foundation for its work while recognizing, at times, the Commission may require action that differs from County policies and procedures.

Commission contracts do not go the Board of Supervisors for approval but are acted on directly by the Commission as the organization's governing body.

The County's purchasing and procurement policies are written to give direction to County departments, including which contracts go to the Board of Supervisors for approval. The Board of Supervisors must approve agreements above \$200,000. Certain reporting requirements to the Board of Supervisors are in place for contracts that exceed \$100,000 as well as all contracts \$200,000 and up. Additional reporting to the Board of Supervisors on contracts that do not reach required reporting thresholds can take place for transparency purposes and contracts lower than the \$200,000 threshold can be brought to the Board of Supervisors for approval. Often, service purchase orders are used for smaller amounts. While technically service purchase orders can be for higher amounts, County Counsel prefers services over \$25,000 be on a contract.

The practice of the Commission has been to operate with significantly tighter controls than established by the County's purchasing and procurement policies. Currently, it is the practice that all contracts, regardless of dollar amount, come to the Commission for approval and there is not specific guidance from the Commission for the use of service purchase orders. Past practice of the Commission has ordinarily been that expenditures in the \$5,000 - \$10,000 range would come to the Commission for approval or notification, and all contracts would come to the Commission for approval, regardless of the dollar amount. Most of these expenditures have historically been associated with funding for community partner organizations for direct services, and these would ordinarily occur within the context of the annual budget approval process.

With the approval of the Commission's new Strategic Plan in December 2018, the Commission directed staff to implement new strategies, goals and activities. Prior to that time, the primary role of the Commission as a funder for community organizations afforded a fairly consistent platform to implement contracts on an annual basis to support this purpose. The new Strategic Plan brought changes in the roles for the Commission as well as the work being directed. Eight major strategies with 42 activities to advance this work were approved as part of the Strategic Plan. Implementation of the various activities needed to advance these major strategies requires new and different actions on the part of staff, developing new collaborations and leveraging partnerships and resources. Often, new contracts and service purchase orders are needed to advance the work that has been directed through the approved Strategic Plan and annual budget. While Commission staff extend their best efforts to have contracts and service purchase orders ready at the time of annual budget approval for the Commission, there are many times when work evolves throughout the year, or contractors or vendors have not yet been identified at the time the budget has been approved, although the work itself is funded in the approved budget. The resulting impact is that implementation of work can be delayed depending on the meeting schedule of the Commission, and items that are very small relative to the entirety of the Commission's budget can slow operations as a result of time invested in creating agenda items, confusion over which items should be coming to the Commission for approval, and what authorities are in place for staff on these smaller items.

Due to the changing context of the work of the Commission which now requires new efforts to implement the strategies and activities of the Commission, current practices are creating a barrier to efficient operations and additional clarity is needed. Changes to practices are being recommended that would allow for more efficient operations and implementation of the work of the Commission, while maintaining strong internal controls and public transparency. If implemented, these recommendations would continue to ensure significantly tighter spending thresholds are in place than required under the County purchasing and procurement policies.

In order to create more efficient government operations, additional process clarity, and strengthened internal controls, it is recommended the Commission authorize the Executive Director (E.D.) to:

- Delegate signature authority in the absence of the E.D. to the Commission Chair or Vice Chair (in the absence of the Chair) for contracts
- Negotiate and execute contracts for administrative and operational expenditures, including service purchase orders, not to exceed \$20,000 per contract, purchase order, or service purchase order

It is also recommended the Commission authorize:

- Contracts not brought to the Commission for approval will be now be signed by the E.D. and the Chair, or Vice Chair (in the absence of the Chair)
- Executed contracts over \$5,000 will be reported to the Commission

These recommendations appear in the attached Section 409 that is recommended for approval to be incorporated into the Policies and Procedures Manual. If approved, these processes would *not* change the current practice where expenditures requiring additional appropriations for the legal budget would be brought to the Commission for action.

STAFF RECOMMENDATIONS:

1. Conduct a public hearing on the recommended revisions to the Policies and Procedures Manual
 2. Adopt the Policies and Procedures changes as presented
 3. Authorize staff to make minor, non-substantive changes to the Policies and Procedures Manual and to place the Manual on the First 5 Stanislaus website
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FISCAL IMPACT:

The recommended policy change provides authorization to sign agreements wherein budgetary provisions have already been included in the Commission-approved budget; any agreements requiring budget adjustments, regardless of amount, would continue to be brought to the Commission for approval. Approval of this item will

provide clarity for future practices of the Commission, increase operational efficiency including reduced impacts on staff time to procure goods and services, and strengthen internal controls.

COMMISSION ACTION:

On motion of Commissioner _____; Seconded by Commissioner _____

And approved by the following vote:

Ayes: Commissioner(s): _____

Noes: Commissioner(s): _____

Excused or Absent Commissioner(s): _____

Abstaining: Commissioner(s): _____

1) _____ Approved as recommended.

2) _____ Denied.

3) _____ Approved as amended.

Motion: _____

Attest: _____

Kellie Edwards – Confidential Assistant IV

Section 409 – Executive Director Purchasing and Signature Authority

Policy:

The Commission shall designate certain purchasing and signature authorities to the Executive Director of the Commission. This policy sets forth guidelines and procedures for the Executive Director and the purchasing process.

Procedure:

- 409.1** The Commission Chair, or Vice Chair (in the Chair's absence), have signature authority in the absence of the Executive Director.
- 409.2** The Executive Director is authorized to make purchases up to \$20,000 including negotiating and executing contracts for administrative and operational expenditures.
- 409.3** Contracts not brought to the Commission for approval will be signed by the Executive Director and the Chair, or Vice Chair (in the Chair's absence).
- 409.4** Executed contracts over \$5,000 will be reported to the Commission.