



Contra Costa County Public Works Department

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Memo

February 8, 2018

TO: David Twa, County Administrator
Julie Enea, Senior Deputy County Administrator

FROM: David Gould, Procurement Services Manager *D. Gould*

SUBJECT: Excluding Warrant Requests and P-Card Transactions from
SBE/Outreach Report

At the SBE/Outreach coordinators meeting in September 2017, we discussed Warrant Request and Procurement Card Purchases and whether they should be included in the reporting. Some departments included these transactions in their reporting while others did not. My understanding is that they were not included when the programs were established, but I informed the coordinators that I would ask for clarification from the County Administrator's Office before the next report was due. I am requesting approval to exclude Warrant Request and Procurement Card transactions from the SBE/Outreach Report, and add cooperative purchasing agreements to the exemption list.

The reasoning for this request is that the majority of these purchases fall into an exempt category. In addition, the dollar value of the transactions will not significantly affect the outcome of the reporting, since they are generally small dollar transactions. The staff time required to gather and report this information does not significantly add to the value of the report data. Please see analysis below.

Exemptions

The SBE/Outreach Program provides exemptions for certain categories of purchases because there is only one source and competition is unavailable. A Department's ability to select a different vendor is limited or non-existent. Exemptions include the following:

- Postage, courier services provided by national companies, i.e., FedEx, UPS;
- Bus Fares, Bay Area Rapid Transit District tickets, fares for other forms of public transportation and bridge tolls;
- Lodging, Hotels;
- Registration for conferences and conference booths;
- Permits, fees, and licenses paid to government agencies;
- Utility installation fees;

- Pre-employment screening and fitness for duty exams;
- Legal Notices;
- Law books and publications;
- D.A.R.E Products;
- Contracts between divisions within a department or contracts between two different departments/divisions;
- Purchases or contracts with other public (local, state, federal) agencies such as the State of California and the Los Angeles County Joint Purchasing Group;
- Private non-profit organizations and agencies contracts;
- Group Purchasing Organizations (GPO) contract purchases;
- Medical Publications, journals, subscriptions;
- Medical devices and equipment, rental or repair parts;
- Medical Supplies, lab chemical and reagents, vaccines, orthopedic supplies, therapy supplies, implant devices, etc.; and
- Maintenance agreements for medical equipment.

In addition to the above exemptions, I would like to add cooperative purchasing agreements to the list. A cooperative purchasing agreement is similar to a GPO except that cooperative purchasing agreements are competitively bid by a lead government agency. Use of these agreements reduces the cost of solicitations and may provide better pricing than we could receive by bidding ourselves.

Analysis of Warrant Requests

A review of 391 Warrant Requests from a two month period shows that 97% fall into one of the above exempt categories. Of the 3% that are not exempt, about half are sole source due to the inability to obtain competition. There is little value in including this small amount in the report.

Warrant Request Category	No. of WR	\$ Value	%
Postage - Fedex, Meter Rental, Permit Fees	36	\$ 523,517	46.2%
Fees - Association Dues, Permits, Court Fees	73	204,136	18.0%
Medical, Laboratory Services	37	169,315	14.9%
Conference Registration, Training, Webinars,	90	73,006	6.4%
Transportation, Fastrac, Bus, Bart	22	61,758	5.5%
Miscellaneous Services	22	28,874	2.5%
Advertising - Job Posting, Newspapers, Subscriptions, Surveys	17	26,646	2.4%
Hotels, Facilities, Space Rental, Storage	34	18,538	1.6%
Department Selected Products	53	14,705	1.3%

Food, Entertainment	7	12,614	1.1%
	391	\$ 1,133,109	100.0%

Analysis of Procurement Card Transactions

A similar review of Procurement Card transactions from the last six months shows that of the 5,026 transactions 2,741 (55%) were in an exempt category. Of the estimated 2,285 eligible transactions, approximately half were sole source. There were 551 (24%) of eligible transactions awarded to businesses within Contra Costa County. The value of Procurement Card spending within the County for the period was approximately \$151,557. While this is a substantial amount, it would not significantly alter the reporting of over \$16,000,000 in purchase orders and contracts.

PROCUREMENT CARD MERCHANT CATEGORY	TRANSACTIONS	EXPENDITURE	%
AIRLINE, OTHER TRAVEL	990	260,193	13%
HOTELS	1,012	490,265	24%
TRAINING, ASSOCIATION DUES, GOV'T FEES	532	270,505	13%
PRODUCTS AND SUPPLIES	2,285	947,209	47%
FOOD AND BEVERAGE	71	22,634	1%
VEHICLE EXPENSE - FASTRAK, PARKING, PARTS	119	20,434	1%
RENTAL CARS	19	11,381	1%
TOTAL	5,028	\$ 2,022,622	100%
IN-COUNTY EXPENDITURES	551	151,557	7%

Summary

The Warrant Request and Procurement Card programs were created to provide departments with a simplified process for doing low value purchases. Although the aggregate of these transactions can be in the millions of dollars, they would not significantly affect the percentage or dollar value of the awards reported by departments. This is because the majority of these transactions are exempt. In addition, the staff time required to gather and report this information can be burdensome.