

MONTEREY PENINSULA REGIONAL PARK DISTRICT
BOARD OF DIRECTORS MEETING

DATE: July 11, 2018
TO: Board of Directors
FROM: Kelly McCullough, Finance Manager
REVIEWED BY: Rafael Payan, General Manager
SUBJECT: Approval of Revision to Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy

RECOMMENDED ACTION

Staff respectfully recommends approval of the attached draft Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy (**ATTACHMENT 1**) incorporating Federal Procurement Uniform Guidance (UG) Code requirements for expenditure of Federal Funds.

FISCAL IMPACT:

There is no impact on finances in approving this change to the Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy.

FUNDING SOURCE:

Not applicable. This is a policy revision only.

FUNDING BALANCE:

Not applicable. This is a policy revision only.

DISCUSSION:

The attached Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy (**ATTACHMENT 1**) was originally approved by the Board and made effective February 17, 2016.

New requirements for using federal funds became effective July 1st of this fiscal year. The requirements apply to non-federal entities such as school districts, institutions of higher learning, and state and local governments applying for or spending federal funds. Please see the article, "New Rules for Use of Federal Funds Effective July 1: Are You Ready?", from Lozano Smith Attorneys at Law (**ATTACHMENT 2**) for a good summary of UG information.

The District has applied for FEMA grant funds, has received and will be spending federal funds.

Previously, as noted in the summary article, "the requirements for spending federal funds were governed by a series of Office of Management and Budget (OMB) circulars. In 2013, OMB issued new rules in a single, cohesive set of regulations: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, (Uniform

Guidance) published at 2 C.F.R. § 200 et seq. While federal entities were required to comply with the new requirements the following fiscal year, OMB gave non-federal entities a three-year grace period. The grace period expired in December, so non-federal entities' purchasing procedures must be in compliance for their 2018-2019 fiscal year.”

The red and blue lined revision attached (**ATTACHMENT 1**) includes changes which add language throughout the Policy to track Federal procurement requirements. In addition, language has been added specifying that some of the new language only applies where Federal grant funding will be used. This way, the District will not be required to comply with Federal law where there is no Federal funding involved.

Also, Federal Regulations require the District to come up with a “written procedure for assessing written proposals.” The District has been developing written procedures which will include those highlighted on Page 5, Paragraph 1 of the attached document (**ATTACHMENT 1**). “Where Federal grant funding is used for payment, the District will evaluate the submitted proposals and assign each a numeric score for price, contractor/vendor reputation, technical capability, financial solvency, proposed time frame, and/or any other categories relevant to the procurement. The contract will be awarded to the responsible firm whose proposal is most advantageous to the District’s procurement objectives, considering price and other factors.

Finally, the micro purchasing level has been changed from \$3,000 to \$3,500 to meet with the UG Micro-Purchase Threshold.

Staff recommends approval of the attached draft policy (**ATTACHMENT 1**) retroactive to July 1, as it is required to comply with UG in applying for and spending Federal funds.

ATTACHMENTS:

1. [Draft Public Contract Bidding, Vendor and Professional Consultant Selection, and Purchasing Policy](#)
2. [Article from Lozano Smith Attorney’s at Law, “New Rules for Use of Federal Funds Effective July 1: Are You Ready?”](#)