

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Central Services	(2) MEETING DATE 5/24/2016	(3) CONTACT/PHONE Will Clemens, Director (805) 781-5051	
(4) SUBJECT Request to amend the Contracting for Services Policy to add a risk assessment to the solicitation process for professional services. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve amendments to the attached Contracting for Services Policy to add a risk assessment to the solicitation process for professional services.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>12/16/14</u> Item # <u>18</u>	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Central Services / Will Clemens, Director
(805) 781-5051

DATE: 5/24/2016

SUBJECT: Request to amend the Contracting for Services Policy to add a risk assessment to the solicitation process for professional services. All Districts.

RECOMMENDATION

It is recommended that the Board approve amendments to the attached Contracting for Services Policy to add a risk assessment to the solicitation process for professional services.

DISCUSSION

The county conducts business with over 3,900 vendors to provide various goods and services needed to effectively serve the public. The vendors submit to a rigorous solicitation process when making proposals to provide these goods and services. The county does a good job of vetting individual companies; however, it has become apparent that there is a need to assess the risks related, not only to the individual companies, but also the individual owners, officers, or other persons occupying a position of authority or responsibility in the organization. The purchasing division of the Central Services Department is proposing an amendment to the attached Contracting for Services Policy to add a risk assessment to the solicitation process in order to address this need along with some minor formatting revisions.

The risk assessment would be in the form of a self-certification with respect to various financial and legal questions that would be submitted by vendors during the solicitation process. A sample form of the Contract Risk Assessment Questionnaire is attached for informational purposes. An evaluation of the risk posed by vendors would be made by the Purchasing Agent in consultation with departments and County Counsel. Without this process, it would be difficult to identify risks posed by contracting with certain vendors.

The risk assessment is intended to identify issues such as previous or current bankruptcies, lawsuits, amounts owed to the county, contractual defaults, audits by other governmental agencies, governmental debarment, criminal convictions, or suspension of business or professional licenses. These could involve the business and/or its owners, partners, officers, or other persons occupying a position of authority in the business. Once any specific risks are identified through this process, the Purchasing Agent would make a determination whether to eliminate the vendor or allow the vendor to continue in the solicitation process.

OTHER AGENCY INVOLVEMENT/IMPACT

This policy amendment was a collaborative effort with the Administrative Office, Auditor-Controller, and County Counsel.

FINANCIAL CONSIDERATIONS

Implementation of the proposed policy amendment is not expected to have any additional financial impact as the risk assessment will fit seamlessly into the existing solicitation process.

RESULTS

Adoption of the proposed amendments to the Contracting for Services Policy will assist in assessing the risks of entering into contracts with vendors providing services to the County and its constituents. This contributes to a well governed community.

ATTACHMENTS

1. Contracting for Services Policy – Redline strikeout
2. Contracting for Services Policy – Clean
3. Sample Risk Assessment Questionnaire