



Yolo County Housing

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BOARD OF COMMISSIONERS

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DATE: August 6, 2009
TO: YCH Board of Commissioners
FROM: Lisa A. Baker, Executive Director
SUBJECT: Amendment to YCH Signature Authority, Approvals and Purchases Policy

RECOMMENDED ACTIONS:

That the Board of Commissioners approve changes to the Signature Authority, Approvals and Purchases Policy.

BACKGROUND / DISCUSSION:

During the Board meeting of July 9, 2009, a change in the Procurement Policy allowing the Executive Director to make purchases up to \$250,000 without separate board approval was approved. The current Signature Authority, Approvals and Purchases Policy still limits the Executive Director to \$50,000 without separate board approval. The requested action makes the limits consistent between the two policies.

Approval is also requested to increase the Executive Director's authority to delegate Purchase Authority to Managers and Supervisors from \$5,000 to \$25,000. The requested increase is necessary due to continued escalation of costs beyond the \$5,000 current delegation authority and is intended to reduce the time demands on the Executive Director for review of many routine operating costs.

FISCAL IMPACT:

The requested changes should improve the efficiency of Agency operations and result in an unknown savings from staff productivity increases.

CONCLUSION:

Staff recommends that the amendment to the Signature Authority, Approvals and Purchases Policy be approved by the Board.

POLICY - Signature Authority, Approvals and Purchases

1.01 General

Expenditure Authority refers to the delegation of responsibility to various YCH employees to recommend, commit, and expend YCH financial resources up to a particular dollar limit, for a cost center or business unit over which the employee has jurisdiction and control and authority to execute contracts or agreements on behalf of YCH.

Expenditure Authority includes the following responsibilities:

1. To make project and programmatic decisions.
2. To recommend entering into a contract, executing a Change Order, or approving a Purchase Requisition. Where authorized, it may also mean authority to enter into a contract.
3. To approve for payment expenditures on the Direct Payments list (items not subject to competition).
4. To carefully read and review applicable documents for accuracy and appropriateness.
5. To coordinate actions with other YCH employees and outside parties as may be appropriate.
6. To work with the Budget Office to ensure that adequate funds have been budgeted and are available for the proposed expenditure.
7. To conduct a Cost Analysis or Price Analysis demonstrating that the proposed price of a contract or Change Order is reasonable.
8. To act diligently in placing a priority on protecting YCH's financial and other interests.

1.02 Documents Authorized to Sign

An employee with Expenditure Authority shall have the authority to approve and sign the following, up to the dollar amount authorized to them by the Executive Director:

1. Purchase Requisitions: Purchase Requisitions must contain the signature of an employee with Expenditure Authority consistent with the estimated dollar value of the proposed purchase.
2. Recommendations for Approval of Contracts: All proposed contracts must be accompanied by a signed recommendation to the Executive Director from an employee with an Expenditure Authority amount consistent with the amount of the contract.
3. Recommendations for Approval of Change Orders: All proposed Change Orders must be accompanied by a signed recommendation to the Executive Director from an employee with an Expenditure Authority amount consistent with the amount of the Change Order. Employees shall not deliberately split Change Orders in order to stay within their Expenditure Authority amount.
4. Recommendations for Release of Solicitations: All solicitations, including both formal RFPs, RFQs, ITBs and other such documents, and informal solicitations for goods or services, must be approved in writing by the Executive Director before such solicitation is advertised or otherwise distributed to contractors, consultants, or vendors, except that informal solicitations of quotes for goods and supplies shall not require the approval of the Executive Director. All recommendations for release of any solicitation must be in writing, signed by an individual with Expenditure Authority for the estimated cost of the solicitation, or by the applicable Department Director. The Executive Director shall review the recommendation and shall, if appropriate, approve the release of the solicitation. The Executive Director may, on an exception basis, authorize the release of certain solicitations without his/her prior review. The Executive Director or designee shall develop procedures and/or routing forms as may be appropriate to facilitate these approvals.
5. Recommendations for Selections and Awards: All recommendations must be in writing for selection of contractors, consultants, vendors, or other service providers subject to these Procurement Policies and be signed by an individual with Expenditure Authority for the estimated or actual award amount. The Executive Director shall review the recommendation and, if appropriate, approve the selection or award the contract, except that all recommendations to the Executive Director for non-competitive selections and awards must be in writing and signed by the Department Director or Executive Director (subject to Expenditure Authority limits).

6. Authorization for Expenditures for Direct Payments: Authorization to pay for items listed on the Direct Payments list must be signed by an employee with Expenditure Authority in an amount consistent with the amount of the proposed payment.
7. Purchasing Card Payments: In submitting a monthly Purchasing Card statement to the Accounts Payable section for payment, in addition to the approval signature of the Purchasing Card Holder, the statement must also be approved by the employee's supervisor, who is automatically authorized to review and approve expenditures for a subordinate's Purchasing Card.

1.03 Executive Director

1. Responsibilities: The Executive Director shall be responsible for providing oversight and management of all expenditures for the agency.
2. Expenditure Authority Limit: Only the Executive Director may authorize YCH commitments and expenditures of amounts and to a maximum threshold of ~~\$50,000~~ \$250,000. The Executive Director may also authorize contract renewals for receipt of funds and new contracts in an amount not to exceed ~~\$50,000~~ \$250,000 unless authorized to do so on a case-by-case basis by the Board of Commissioners.
3. Delegation to Department Heads, Managers and Supervisors: In order to facilitate efficient procurement activities, the Board of Commissioners authorizes the Executive Director to delegate Expenditure Authority to appropriate managers and supervisors. Upon recommendation of a Department Director, the Executive Director may delegate Expenditure Authority to a manager or supervisor in an amount not to exceed ~~\$5,000~~ \$25,000. Such delegation shall be in writing with the approval signature of the Executive Director. All changes in Expenditure Authority amounts must also be approved in writing by the Executive Director. The Board of Commissioners shall be notified in writing of all such delegations of Expenditure Authority by the Executive Director on an annual basis. The Executive Director may, in special circumstances and where justified based on the nature of the position, delegate Expenditure Authority to an employee who is not a manager or supervisor.
4. Purchasing Card Delegation: The Executive Director is authorized to delegate Expenditure Authority to certain employees through the use of an YCH credit card (Purchasing Card). Upon recommendation of a Department Director, the Executive Director may authorize the issuance of a Purchasing Card to employees.
2. Travel, Training, Temporary Help: All requests and authorizations for actual expenditures for travel, training, or temporary help, must be approved by the Executive Director.
3. Non-Competitive Selections: Subject to the ~~\$50,000~~ \$250,000 Expenditure Authority limit, all non-competitive selection recommendations (emergency, sole source,

proprietary, single response to a solicitation, etc.) must be approved by the Department Director and the Executive Director.

4. Cancellation of Expenditure Authority: The Executive Director may cancel the Expenditure Authority granted to an employee based on a change of job duties, abuse or mismanagement of Expenditure Authority by the employee, or other reasons sufficient for the Department Director. Recommendations of such cancellation and reasons must be in writing to the Executive Director.