



BOARD WORK SESSION  
WEDNESDAY, FEBRUARY 6, 2019  
5:30 – 7:00 PM  
COLUMBIA ROOM – 6<sup>TH</sup> FLOOR  
AGENDA

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1. Recommendation to Increase Delegated Contract Authority\*  
(Berit Stevenson)
  2. Advocacy Updates  
(Michael Buonocore)
  3. Executive Director Updates  
(Michael Buonocore)

\*Attachment



## MEMORANDUM

To: Board of Commissioners

Date: February 6, 2019

From: Berit Stevenson, Procurement and  
Contracts Manager  
503.802.8541

Subject: Recommendation to Increase  
Delegated Contract Authority

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At the October, 2018, Executive Committee meeting, Board Chair Herman requested staff to review the current delegated contract authority of \$100,000. This request included surveying other local agencies' practices and, based on such research, to provide a recommendation to the board for a potential change to the delegated contract authority.

## RESEARCH

Initially staff of the Procurement and Contracts Department contacted four other agencies. Based on direction at the January, 2018, Executive Committee meeting, the Seattle Housing Authority was also contacted.

### Multnomah County

The County has a complicated system for delegating contract authority that involves a set dollar amount of \$150,000 and then the ability to modify this amount for each contract by indicating a different amount in each procurement documentation. This results in a "case-by-case" system. As there are no established thresholds for contract amounts, this approach appears problematic and arduous to implement. Staff do not recommend this system based on its inherent uncertainty.

### City of Vancouver, Washington

The City of Vancouver has a more straightforward system. The Board of Commissioners has delegated authority to staff to execute contracts and amendments up to \$300,000.

### City of Portland

The City of Portland is in the process of revising their delegated contract authority. Currently, the Chief Procurement Officer has been delegated the authority to sign contracts for goods and services and construction at \$1,000,000, and \$500,000 for professional services. A recommendation to modify these limits to \$1,000,000 for all contracts is under consideration by the City Council in the form of updates to the City's Procurement Code. The first consideration of these new rules was December 5, 2018. City Council responded positively, and City staff expect approval of the code updates to take place in early 2019. In addition, the City's rules provide for delegated authority to increase contract values up to 25% by amendment.

### Metro

Metro's contracting administrative rules include a broad delegation of authority to award and execute contracts to the Chief Operating Officer, the Metro Attorney and the Auditor without any limits.

### Seattle Housing Authority

Like Home Forward, the Seattle Housing Authority is a Moving to Work (MTW) agency. Jena Richmond, the Contracts and Procurement Manager, indicated that the Board of Commissioners has delegated contracting authority to staff without limitation. Specifically, the Contracts and Procurement Manager can sign contracts at the \$150,000 level and the Executive Director is authorized to sign all contracts without limit. This approach is justified based on several considerations:

- The board receives notice of major projects and programs via the annual budget process and the MTW Plan, both of which they review and approve
- Formal solicitations are brought before the board in advance of issuance as an informational item
- Delivering services or projects in a timely manner is critical to the agency's work, and organizing schedules around the Board of Commissioners meetings is an avoidable delay.

## RECOMMENDATION

Based on the above research, staff of the Procurement and Contracts Department recommend modifying the current delegated authority to \$1,000,000 for new contracts and \$500,000 for amendments. Staff believe these levels are generally at a midpoint in the range of other agency practices. Staff are recommending a set numerical amount of \$500,000 for amendments rather than a percentage, as is utilized by the City of Portland, primarily due to the needs of our large construction projects. These contracts are typically either Construction Manager/General Contractor (CM/GC) or Design-Build approaches, both of which start with small initial contracts (for programming or design) later amended to authorize the construction phase and add the cost of construction. Based on historical knowledge of our construction projects and the changes that arise during construction, a percentage limit on amendments for these “start small, get larger” construction contracts would be an impractical approach. Of course, staff may choose to, and often do, bring certain contracts to the Board of Commissioners for consideration even if the contract amount does not dictate Board of Commissioners approval. This occurs when staff feel the subject matter of the contract is of particular interest to the board. A final component of this recommendation is the implementation of a new practice to provide the board with information regarding future formal solicitations. Specifically, staff suggest that the monthly contract report submitted to the Board be modified to include a section detailing a six-month look-ahead of formal solicitations. Similar to the Seattle Housing Authority, this will provide the Board with information on future procurements.