

## Response to Questions on the FY 2010 County's Line of Business & Schools Program Review Processes Fall 2008

**Request By:** Supervisor McKay

**Question:** What are the criteria for when an agency should have its own internal buyer instead of going through the Department of Purchasing and Supply Management (DPSM)? What agencies have buyers and what goods and services are they purchasing annually?

**Response:** There are no specific criteria that stipulate when an agency should have their own Buyer. There are only five Buyers outside of DPSM. They are employed by large agencies that have a high volume of purchasing activity, as follows:

Park Authority -	Buyer I (2)
	Buyer II (1)
Police -	Buyer I (1)
Fire and Rescue	Buyer II (1)

There are also agencies (most notably the Department of Administration for Human Services) that have staff members with another job title, such as Management Analyst, whose primary function is purchasing.

There is, however, very specific guidance as to the level of purchasing authority and responsibility delegated by DPSM to agencies. In accordance with established county policy, approval levels for the purchase of goods and nonprofessional services, professional services, and consultant services are shown in the chart on the following page. This policy is in keeping with the nationally recognized best practice of delegating low dollar, low risk purchases to agency users, while processing high dollar, high risk purchases in the procurement department, where procurement professionals can add the most value to the process.

While DPSM is unable to determine the specific purchase activity performed by the agency Buyers from the user agencies specified above, in general, buying staff in user departments perform tasks such as; 1) creating purchase documents such as requisitions and invoice vouchers, 2) soliciting competition for low dollar purchases, and 3) working with DPSM staff who manage the agency's high dollar procurements. In smaller agencies, "buying" is just one of many responsibilities a staff member will perform. In larger agencies with a high volume of purchasing, there may be staff whose sole responsibility is purchasing, or purchasing and financial processing. Agencies with their own buyer may perform a large volume of procurement tasks, but DPSM will still perform that agency's high dollar, high risk purchases in accordance with the delegated procurement policy shown in the chart on the next page.

**Contract Requirements and Approval Levels Matrix**  
**Revised July 1, 2008**

Amount of Contract	Competitive Requirements	Approval Authority	Purchase Order Approval
<b>Purchase of Goods and Non-Professional Services</b>			
Less Than \$5,000	None, but competition recommended	Department Director	Department CASPS Approver
\$5,000 - \$10,000	Solicit a minimum of three quotes	Department Director	Department CASPS Approver
\$10,001 - \$50,000	Informal written solicitation	DPSM	DPSM
\$50,000 and over	Formal written solicitation	DPSM	DPSM
<b>Purchase of Professional Services</b>			
Less Than \$5,000	None, but competition recommended	Department Director	Department CASPS Approver
\$5,000 - \$10,000	Solicit a minimum of three quotes	Department Director	Department CASPS Approver
\$10,001 - \$30,000	Informal written solicitation	DPSM	DPSM
\$30,000 and over	Formal written solicitation	DPSM, with Board of Supervisor's approval for contracts over \$100,000	DPSM
<b>Purchase of Consultant Services</b>			
Less Than \$5,000	None, but competition recommended	Department Director	Department CASPS Approver
\$5,000 - \$10,000	Solicit a minimum of three quotes	Department Director	Department CASPS Approver
\$10,001 - \$50,000	Informal written solicitation	DPSM	DPSM
\$50,000 and over	Formal written solicitation	DPSM, with Board of Supervisor's approval for contracts over \$100,000	DPSM