



WC Purchasing Code: Contract Thresholds +

(And Other Fiscal Transparency Ideas)

February 11, 2025, Council Finance and Administrative Services Committee
Presenters: Aly Pennucci, Deputy Executive and Randy Rydel, Finance Director

Outline for Discussion

- Review potential changes to WC Purchasing Code and Administrative Process
 - Primarily focused on options to modify thresholds for contracts that require council approval
 - In addition, consider other potential changes to the Purchasing Code (WCC 3.08) and administrative changes regarding WC purchasing processes
- Review other fiscal transparency work the executive branch has on their work program

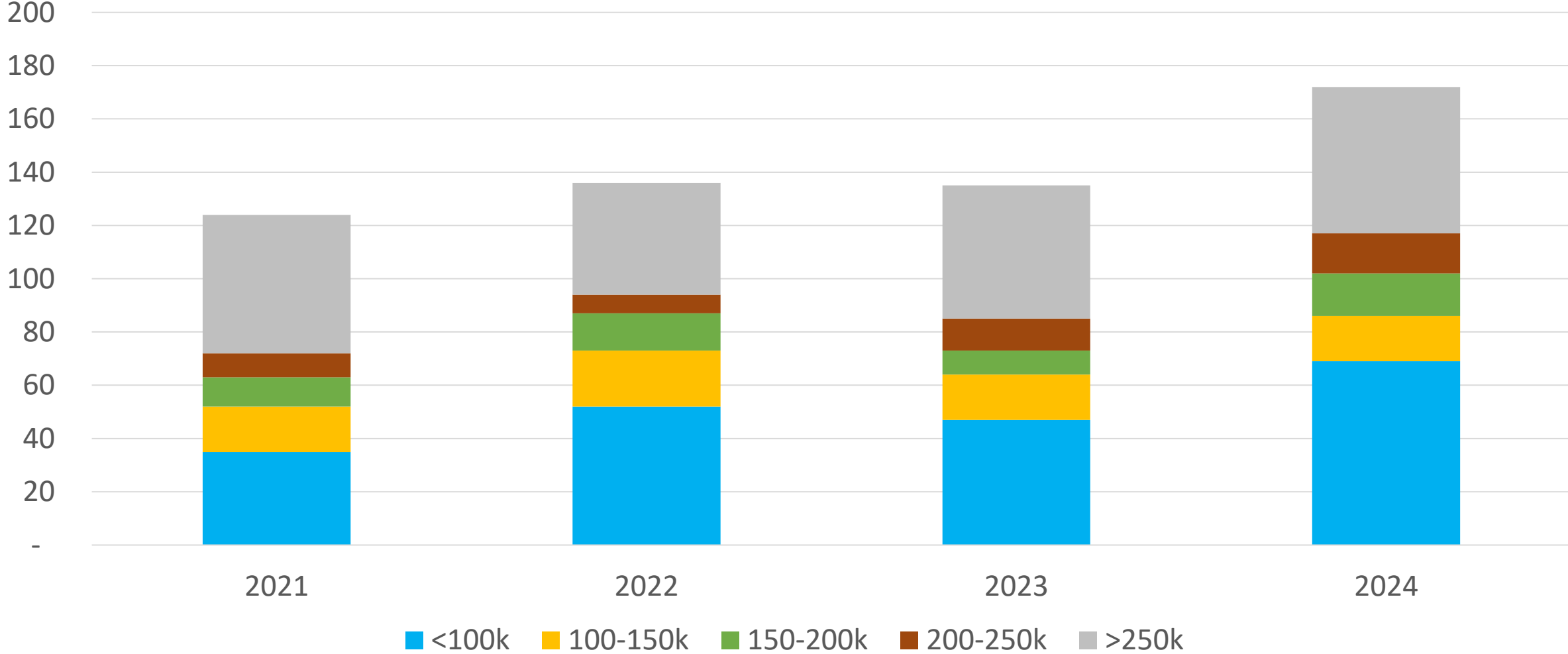
Revisions to the Purchasing Code

Purpose:

- Increase efficiency in executing contracts and delivering services while also improving transparency

- It has been over seven years since the last significant update to WCC 3.08.
- Since then, the County has faced challenges in operating efficiently due to several factors:
 - The volume and complexity of contracts has increased. Since 2021, contracts requiring Council approval increased by 40% and new funding for human services has increased complexity
 - Inflationary, supply chain, and labor market pressures, create increased risk for the County when we cannot execute contracts in a timely matter.
- Contracts that require Council approval delays contract execution and subsequent service delivery. Delay can vary by 3-8+ weeks.
- Contractors, department heads, community partners, and partner government agencies universally identify the purchasing code as a significant pain point in doing business with the County
- The number of items and time associated with processing administrative decisions at Council reduces time for policy makers to focus on broader policy discussions.

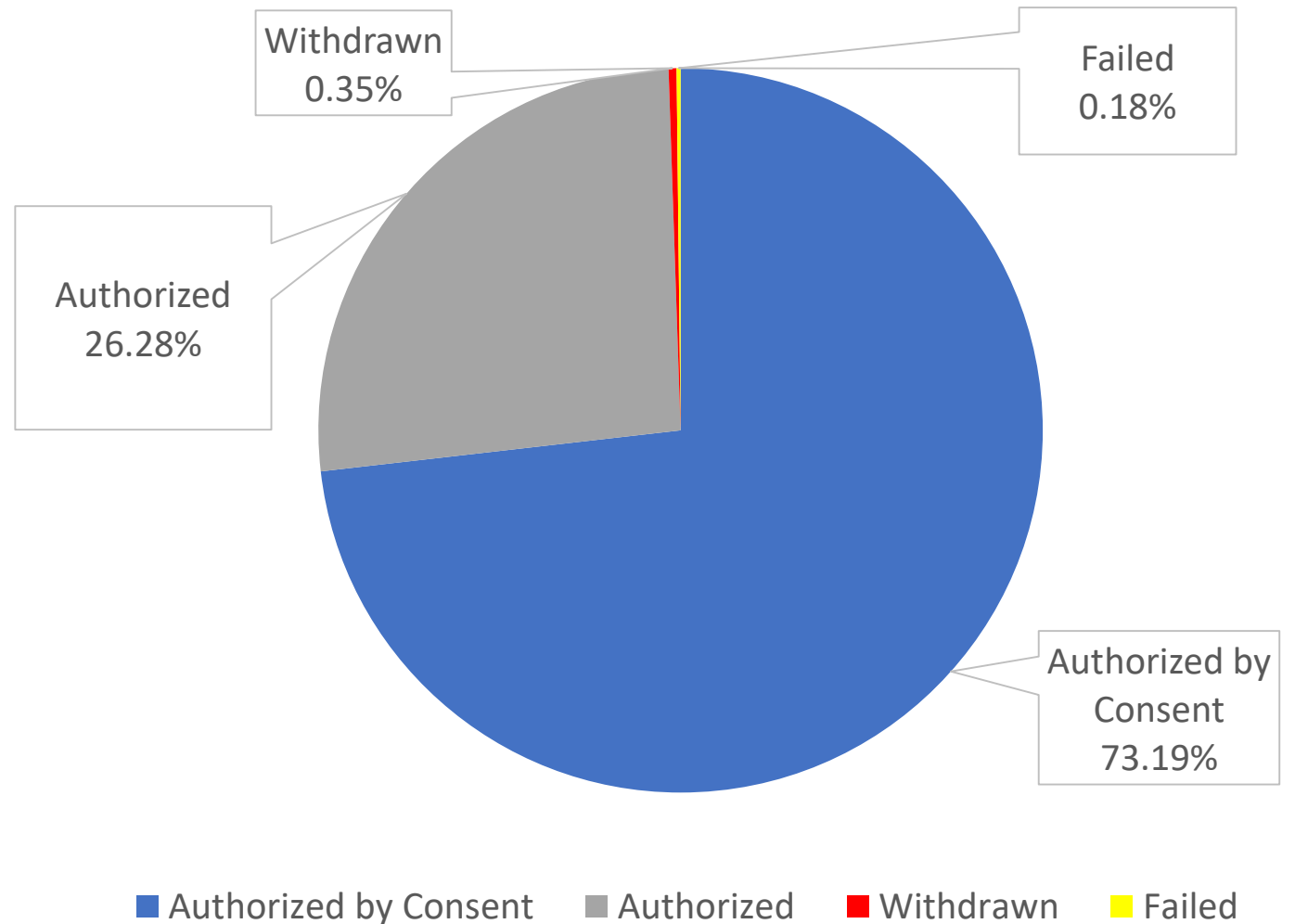
Contract Analysis: Reviewed 567 Contracts Approved by the County Council 2021-2024



Contract Analysis: By Final Council Action (2021-2024)

Majority of contracts are approved on consent agendas:

- 413 or 73% of the 567 contracts reviewed were approved on a consent agenda
- Contracts under \$250,000: 80% approved on a consent agenda (294 out of 368 contracts)
- Contracts over \$250,000: 60% approved on the consent agenda (119 out of 199)
- Only one contract of the 567 failed to receive approval from Council; that contract was over \$300,000



Contract Analysis:

Contracts Approved by Council by \$ Amount (2021-2024)

Contract amount:	< 100,000	< 150,000	< 200,000	< 250,000	> 250,000	Total
Total # of Contracts	203	275	325	368	199	567
% of Total	36%	49%	57%	65%	35%	100%
Total \$ Amount	\$11.7 M	\$20.3 M	\$28.9 M	\$38.1 M	\$283.9 M	\$322 M
% of All Contracted \$s	4%	6%	9%	12%	88%	100%

Raising the threshold to \$250,000 would allow for ~65% of contracts to be executed more efficiently while retaining approval authority by the Council on 88% of the awarded funds.

Looking only at 2024, if the threshold for Council approval was \$250,000 :

- The number of contracts on Council agendas would have decreased from 172 to 57
- The total dollar amount awarded that Council approved would have decreased from \$90 M to \$79 M

Potential code changes to consider

- Raise the **general threshold for Council contract approval** and update authorized exceptions
- Raise the price quotation threshold and update exceptions in areas where WC Code differs from state law (3.08.040, 3.08.060, 3.08.090, 3.09.100) and update other sections to be consistent with state law as applicable
- Add an alternative procurement process for contracts that do not require procurement under state law (new code section)
- Require the Director of Administrative Services to provide a written report to Council no less than quarterly of **all** contracts signed by the County Executive, whether the contract required Council approval or not (new code section)

Example quarterly report

Contract #	Originating Department	Contractor	Council Approval	Date Exec Signed	Contract Expiration	Contract Amount
202409001	Assessor	Cyclomedia	9/10/2024	9/11/2024	12/31/2026	\$59,950
202306005-3	Sheriff	DentALL, PLLC	9/10/2024	9/11/2024	12/31/2024	\$116,000 (contract amendment added \$55,600 for a total of \$116,000)
202409007	Health	Whatcom Working Douglas, LLC	n/a	9/11/2024	12/31/2025	\$34,050
202409013	Planning	Cascadia Consulting Group	9/10/2024	9/11/2024	12/31/2025	\$100,000
202206004	Auditor	AMS Print & Mail Specialists	n/a	9/10/2024	5/31/2026	\$40,000 (not to exceed)
202407022	PW	WA State Recreation & Conservation Office	8/6/2024	8/29/2024	6/30/2026	\$3,000,000

For individual contract review see: <https://documents.whatcomcounty.us/WebLink/CustomSearch.aspx?SearchName=Contracts&dbid=0>

Potential Administrative changes to our Purchasing Processes

- Enhance online contract database search options and add quarterly reports on all executed contracts to public website (it will also be available in Legistar)
- Create a countywide procurement policy and procedure manual to provide step by step instructions for County departments and agencies on procurement process.
- Develop outreach and technical assistance tools for vendors who contract with the county, to guide in process from bidding to contracting to invoicing.
- Identify if additional resources are needed to accomplish these efforts.

Other fiscal transparency work underway or on the horizon

- Implementation of new financial system and enhanced reporting
Partially complete/underway
- Budget Prioritization Exercise
Project initiated
- Replace budget software system and update budget review and approval processes
Late 2025 / Early 2026
- Develop Fiscal Note template and use for most proposed legislation
Q4 2025 or Q1 2026
- Develop Financial Policies for all Funds
2026 Work Plan
- Continue to identify opportunities for process improvements and increased transparency
Ongoing

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Questions?