



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: October 4, 2018

MEMO TO: S. Michael Rummel, Chair
Finance Committee

FROM: Alex Ty Kovach
Executive Director

REQUEST: Provide policy direction regarding the addition of vendor disclosure requirements to the District's Purchasing Ordinance.

STRATEGIC DIRECTIONS SUPPORTED: Organizational Sustainability

FINANCIAL DATA: The estimated cost for legal review and purchasing policy changes would be approximately \$2,000 to \$3,000.

BACKGROUND: At its August 30, 2018, meeting, the Finance Committee discussed Commissioner Hart's prior request to consider imposing a requirement that potential District vendors disclose campaign contributions and family relationships. The Committee consensus was that such a requirement would (i) be limited to the procurement of future professional services, consulting services, or other services, work or products that require personal confidence, do not require competitive bidding, and cost in excess of \$25,000 and (ii) be for the sake of transparency, but that any information obtained through such disclosures would not be used to disqualify a vendor that otherwise submitted a proposal that was most advantageous to the District. The Committee and Corporate Counsel Matt Norton discussed the fact that there already exist other State laws governing conflicts of interest, vendor selection, qualification, and disqualification, and Board recusal.

The Committee asked Corporate Counsel to confer with the State's Attorney regarding any similar requirement being considered by the County and, because his services on this matter would be outside the scope of his monthly retainer, to provide the Committee with an estimate of legal costs to prepare vendor disclosure requirements. Attorney Matt Norton estimates an initial cost of \$2,000 to \$3,000 to research the following and complete an initial draft of vendor disclosure requirements:

- Review State disclosure and ethics statutes for guidance on "thresholds" that will have to be identified in the vendor disclosure requirements, e.g., what time period is relevant for donations, and which family relationships "trigger" the disclosure requirement.
- Prepare vendor disclosure requirements that would require proposers on contracts that (i) exceed \$25,000 and (ii) are for professional services, consulting services, or other service, work or products that require personal confidence and do not require competitive bidding, to disclose (a) campaign donations and (b) familial relationships.

The vendor disclosure requirements would be part of the District's Purchasing Ordinance. District staff and Corporate Counsel are currently working on a revised version of the Purchasing Ordinance. The costs quoted above would be in addition to the legal costs that would otherwise be incurred to review and revise the Purchasing Ordinance.

REVIEW BY OTHERS: Executive Director, Corporate Counsel, Chief Operations Officer, and Director of Finance.