

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 9/8/20 **Time:** 3:00 pm **Length:** 1 hour

Presentation Title: Vendor Rewards Policy

Department: Finance/Procurement

Presenters: Elizabeth Comfort and Andrew Naylor

Other Invitees: Eric Sarha; Kristi Durham; Brian Nava; George Marlton

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Review and adoption of Vendor Rewards Policy.

EXECUTIVE SUMMARY (why and why now):

Many vendors have discount programs, rewards, or other incentives as a result of purchases made with the vendor (“rewards”). For example, some airlines offer airline miles as perks, and many grocery stores have a reward program. The County does not currently have a clear policy on when employees may include their personal reward accounts or when they must use a County account, should one exist. If the County agrees to let employees use their personal reward accounts in certain situations, the ability to do so must be a part of the employee’s official compensation package in order to comply with the ORS 244.

This is because ORS Chapter 244.040 strictly prohibits “Public Officials,” as defined by statute, from using or attempting to use their positions to gain financial benefit or to avoid financial cost for themselves, a relative, or a member of their household or their business if the opportunity is available only because of the position held by the Public Official. Using a reward potentially runs afoul of this prohibition. However, ORS 244.040 does not apply to any part of an official compensation package as determined by the public body that the Public Official serves.

The proposed Vendor Reward Policy delineates when it is acceptable for an employee to use their personal reward account and makes that limited use part of the employee’s official compensation package to comply with applicable law.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

What is the cost? \$0 What is the funding source? N/A

There are no fiscal impacts for the adoption of the policy.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?
 - This policy is in alignment with Finance’s goal to adopt policies and procedures that provide for increased financial transparency and accountability.

- How does this item align with the County’s Performance Clackamas goals?
 - This policy is in alignment with the County’s goal to build public trust through good government.

LEGAL/POLICY REQUIREMENTS:

This policy is established pursuant to the Clackamas County Board of Commissioners’ authority under ORS Chapter 203, Clackamas County Code and other applicable law.

PUBLIC/GOVERNMENTAL PARTICIPATION:

This policy was developed by representatives from Finance, Human Resources, County Counsel, and the Treasurer’s Office.

OPTIONS:

1. Adopt the policy as written and attached hereto as Exhibit A.
2. Adopt the policy as amended by the Board.
3. Do not adopt the policy.

RECOMMENDATION:

Staff recommends Option 1: adopt the policy as written and attached hereto as Exhibit A.

ATTACHMENTS:

Exhibit A – Clackamas County Policy #FIN-1.701, Vendor Rewards Policy

County Counsel Approval: _____ 

SUBMITTED BY:
 Division Director/Head Approval _____
 Department Director/Head Approval _____
 County Administrator Approval _____

For information on this issue or copies of attachments, please contact Andrew Naylor @ 503-742-4623



<input checked="" type="checkbox"/> Administrative Policy
<input type="checkbox"/> Operational Policy

Clackamas County Policy

Name of Policy	Vendor Rewards Policy	Policy #	FIN-1.701
Policy Owner Name	George Marlton	Effective Date	
Policy Owner Position	County Procurement Officer	Approved Date	
Approved By		Last Review Date	
Signature		Next Review Date	

I. PURPOSE

The purpose of this vendor rewards policy (“Policy”) is to outline when Public Officials (as defined in Oregon Revised Statutes (“ORS”) 244.020(15)) of Clackamas County (“County”) may personally retain rewards, points, miles, or any other type of transactional incentive from a vendor. The County hereby establishes this Policy because it has determined that the Rewards (defined below) personally received by a Public Official are *de minimis* in nature and are a part of a Public Official’s official compensation package.

II. AUTHORITY

This Policy is established pursuant to the Clackamas County Board of Commissioners’ authority under ORS Chapter 203, Clackamas County Code, and other applicable law.

III. GENERAL POLICY

Many vendors have discount programs, rewards, or other discount/incentives as a result of purchases made with the vendor (collectively referred to as “Rewards”). This Policy authorizes certain types of Rewards to be retained by a Public Official.

IV. POLICY GUIDELINES

Generally:

ORS Chapter 244 and ARA-FIN-3.12 strictly prohibit Public Officials from using or attempting to use their positions to gain financial benefit or to avoid a financial cost for themselves, a relative, or a member of their household or their business if the opportunity is available only because of the position held by the Public Official. The Rewards identified below are distinctly different from the type of transaction referenced above because (i) the Rewards are available to the general public or all government employees irrespective of a specific contractual relationship with the County; and (ii) by virtue of this Policy, the Rewards are part of the Public Official’s official compensation package.

Moreover, Public Officials may not make any purchase decision that results in a greater expense to the County based on the benefit that the Public Official will personally receive from the transaction. An example of a conflict of interest is purchasing a more expensive plane ticket from Alaska Airlines instead of a comparable ticket from Delta because the Public Official wants Alaska miles instead of Delta. On the other hand, if the plane ticket were the same price, the Public Official may choose Alaska Airlines and keep the Rewards.

Allowable Rewards:

If a Public Official's department has not established a Rewards account, the Public Official may use their personal Rewards account and receive the benefit. Personal Rewards permitted under this Policy are considered part of a Public Official's official compensation package.

Examples of allowable Rewards (not exclusive):

- Safeway Club Card
- Fred Meyer Rewards Program
- Verizon Government Employee Discount
- Airline Frequent Flier Miles
- Hotel Travel Rewards
- Car Rental Rewards

Departments are encouraged to strategically consider how its purchasing habits may create department Reward accounts that could be used for the enhanced benefit of department programs. For example:

1. Setting up a department Safeway Club Membership where reward points could be used for future programmatic purchases.
2. Utilizing an established Rewards account of the department's client for the transaction instead of the Public Official's Rewards account.

The Finance Department, through Procurement and Contract Services ("Procurement"), has established accounts to receive discounts at the point of sale (examples: Office Depot, Home Depot, Lowes) that departments should use for County business. These types of discounts are not considered Rewards and may not be used by Public Officials for personal use.

Departments may not establish lines of credit or agree to future purchase commitments except as specifically authorized through Procurement.

If a Public Official is unsure if a Reward may be received personally, they should consult with Procurement.

Responsibility for tax liability, if any, resulting from Rewards rests with the Public Official to the extent required by law.

This Policy does not supersede any other Administrative Policy, County Code, or Federal or State law or regulation.

V. PROCESS AND PROCEDURES

This Policy is applicable to the Public Officials of Clackamas County, Water Environment Services, North Clackamas Parks and Recreation District, the Development Agency of Clackamas County, the Housing Authority of Clackamas County, and any similar special districts or urban renewal agencies.

This Policy is not intended to supplement, conflict, or amend a Public Official's obligations under the Oregon Government Ethics Act, ORS Chapter 244. Public Officials are encouraged to review the County's Ethics intranet page regarding compliance with ORS Chapter 244: <http://web1.clackamas.us/ethics>

VI. ACCESS TO POLICY

The Policy is available on the [Finance Department Intranet Policy Site](#).

VII. ADDENDA

This policy conforms to the guidance found in the following source publications:

- [ARA-FIN-3.17 Costco Memberships and Transactions](#)
- [ARA-FIN-3.15 Procurement Card Policy](#)
- [ARA-FIN-3.12 Procurement Code of Ethics](#)
- [ORS Chapter 244, Oregon Government Ethics Act](#)

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