

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: Jan 30, 2018 **Approx. Start Time:** 10:30 AM **Approx. Length:** 60 min

Presentation Title: Alcohol Purchasing for Promotional Purposes

Department: County Administration, Tourism, Business & Community Services (BCS), Public & Government Affairs (PGA), Finance, Human Resources, County Counsel

Presenters: Laurel Butman, County Administration; Danielle Cowan, Tourism; Laura Zentner, BCS; Gary Schmidt, PGA; Christa Wolfe & Laurie Bergstrom, Finance; Eric Machado & Evelyn Minor-Lawrence, Human Resources

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Discussion and direction about policy setting for the purchase of alcohol for promotional purposes.

EXECUTIVE SUMMARY:

The focus of this policy session is a discussion of the purchase of alcohol for Clackamas County Promotional Purposes with public funds. Promotional Purposes include activities related to marketing the value of tourism, local agriculture, economic, and business development including actively promoting local and regional wines, craft brews, and distilled spirits. This poses a challenge within a government setting with both internal and external requirements and prohibitions against the presence of alcohol in the work place or in work settings.

At the request of the Board of County Commissioners, staff from three departments most likely to engage in these specific activities (Tourism, Business & Community Development, and Public & Government Affairs) met with staff from Finance, Procurement, Risk Management, and Human Resources over the course of about five months to develop a policy framework for Board discussion. Policy points developed by the working group are in Attachment A. The working group also developed a reporting document to memorialize such purchases, included in Attachment B.

It is important to note that these policy considerations apply *only to* alcohol purchases for promotional and marketing purposes. Other purchases of alcohol by County employees while not on duty, while in travel status, or while at invitational events are governed by other County policies and Code provisions.

Through this process, staff recognized that some specific instances governed by either County Code or other requirements are in conflict with existing policy. While the group was able to come to some agreements which helped ameliorate such conflicts, one conflict between County Code and common practice in the Tourism industry remains unreconciled.

Tourism uses county vehicles for “fam” tours which may include stops at wineries or breweries and the client may purchase a bottle of wine or other product to take home or staff may purchase products to take to an event or to the airport. According to the Driving and Vehicle Policy (EPP #52) in County Code, “employees are perceived by the public as on duty while operating [County owned vehicles].” The Policy lists several prohibited uses of County owned vehicles including: “purchase or transport [of] alcoholic beverages at any time...while using a County vehicle.” Thus, there is a direct conflict between the Code and the desired practice.

FINANCIAL IMPLICATIONS (current year and ongoing):

- **Is this item in your current budget?** YES
- **What is the cost?** Cost varies by department and activity

- **What is the funding source?** Potentially several including Transient Room Tax, Lottery, General Fund. Federal grant funds are prohibited from being used to purchase alcohol [Uniform Grant Guidance (2 CFR 200.423)].

STRATEGIC PLAN ALIGNMENT:

These issues align with two of the Board’s five Strategic Priorities:

- Grow a vibrant economy
- Honor, utilize, promote and invest in our natural resources

LEGAL/POLICY REQUIREMENTS:

As noted above, current County Code prohibits transport of alcohol in County vehicles. Current procurement card policies prohibit the use of County procurement cards to purchase alcohol. Federal regulations prohibit using federal grant funds to purchase alcohol. County employees are also prohibited from consuming alcohol while on duty.

PUBLIC/GOVERNMENTAL PARTICIPATION:

In addition to the time and consideration of the multi-departmental working group devoted to this issue, research was conducted with other counties, the State (both OLCC and Travel Oregon), and other tourism organizations in Oregon. No other counties allow the purchases of alcohol as envisioned in the attached documents. The State has generally has more prohibitive policies than current County policies. However, the State does provide minor exceptions for the OLCC and exception language which may be applied to an agency.

OPTIONS & RECOMMENDATIONS:

1. Move ahead with the policy changes to allow the purchase of alcohol in closed containers while continuing discussion of other policy points.
2. Make the offered changes to County policy with the exception of Code amendments.
3. Amend all County policies and Code to conform to the Policy Points draft.
4. Amend County Code to allow the transport of alcohol in County-owned vehicles.
5. Make no policy changes at this point in time.

Staff is open to the Board’s guidance and direction on how to proceed.

ATTACHMENTS:

1. Attachment A: Alcohol Purchases for Promotional Purposes Policy Points Draft
2. Attachment B: Report for Promotional Alcohol Purchases Draft

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval _____
 County Administrator Approval _____ LSB _____

For information on this issue or copies of attachments, please contact Laurel Butman @ 503-655-8893.

ATTACHMENT A

DRAFT Policy Points on Purchasing Alcohol for Promotional Purposes

The purchase of alcohol for Clackamas County Promotional Purposes with public funds from any source is only permitted as specifically authorized below.

1. DEFINITIONS:

- A. "Promotional Purposes" means identifying and marketing the value of tourism and local agriculture, economic/business development, and activities related to promoting Clackamas County as a tourism destination and regional businesses or products to regional, state, or foreign delegations and County clients.
- B. "Authorized Employee" means a person named by the County Administrator to be permitted to purchase alcohol for Promotional Purposes.
- C. An employee is "On Duty" when actively promoting regional businesses/products while in paid status (e.g., getting paid to staff the activity).

2. GENERAL PROVISIONS:

- A. In addition to the prohibition against use of alcohol contained in Clackamas County Code section 2.05.180.2.BB, under no circumstance shall a County employee consume alcohol while a) On Duty and b) using public funds to purchase alcohol except as permitted by this policy for Promotional Purposes.
- B. According to the County's Driving and Vehicle Policy (EPP #52), "employees are perceived by the public as on duty while operating [County owned vehicles]." The Policy lists several prohibited uses of County owned vehicles including: "purchase or transport [of] alcoholic beverages at any time...while using a County vehicle."
- C. Under the Uniform Grant Guidance (2 CFR 200.423), the costs of alcoholic beverages are unallowable. Therefore, no costs associated with alcoholic beverages shall be charged to Federal Grant Awards.
- D. Efforts will be made to purchase at discount or in bulk to reduce cost.
- E. Purchases may be made in advance, or can be made at a county sponsored event, or on a tour.
- F. Under no circumstances is alcohol to be purchased using public funds as a gift for, or for personal consumption by, a County public employee or official, whether On Duty or not.

3. ALLOWED PURCHASES

- A. Closed containers: Authorized employees may purchase closed containers of alcoholic beverages to be used as gifts for Promotional Purposes.
- B. County-sponsored events:
Purchasing alcoholic beverages for Promotional Purposes at a County-sponsored event is allowed according to the following procedures.
 - i. All alcohol service must be provided by an independent contractor with the applicable OLCC licensing and liquor liability insurance to serve alcohol.
 - ii. Contracts and catering agreements including alcohol service shall be procured according to County Code.
 - iii. On Duty employees may purchase alcohol with meals for County clients, such as when hosting a dinner however, the employees may not consume alcohol when doing so.
- C. Tasting activities:
Purchasing tastings of alcoholic beverages by authorized employees for Promotional Purposes at wineries, breweries, or distilleries is allowed according to the following procedures:
 - i. Tasting activities shall be only for the promotion of local tourism or agriculture, economic development, or hosting of delegations as defined in this Policy and shall take place only through planned tours.
 - ii. Off Duty County employees who consume alcohol may not drive during the activity.

4. METHODS OF PURCHASE FOR AUTHORIZED EMPLOYEES

- A. Employees may purchase gift cards to provide to visiting entities to purchase alcohol at the Promotional Activity. The gift card purchase must be documented during the procurement card reconciliation process with receipt(s) noting the purpose of the purchase attached.
- B. Employees may use their own funds for the purchase and request reimbursement by formal request to Finance for review/processing with adequate documentation using the Procurement Card/Reimbursement Report. Such purchases must be documented using the Procurement Card/Reimbursement Report and providing detailed itemized receipts.
- C. Purchasing with a procurement card is *only* allowed by persons authorized by County Administration and County Procurement to use a procurement card for promotional alcohol purchases. Such purchases must be documented using the Procurement Card/Reimbursement Report and providing detailed itemized receipts.

ATTACHMENT B

**Promotional Alcohol Purchases
Procurement Card/Reimbursement Report**

Procurement Card Purchase

Request for Reimbursement:

Name of Card Holder:

Last 4 Digits of Card Number:

Date	Vendor	Purpose	Amount
TOTAL			

Add lines as needed.

Itemized Receipts Attached? Yes

Narrative explanation of promotional purpose:

Entity/entities receiving promotional items:

County staff present at event:

Affirmation: I acknowledge that alcohol was purchased at this event using public funds either with personal funds or by procurement card and that I am requesting payment. I also affirm that I did not consume alcohol while on duty staffing this event and making this purchase.

Date of event: [Click here to enter a date.](#)

Signature

Card-holder must sign this form.

Department Director Approval _____

Date: _____

NOTE: For gift card purchases, do not use this form; note the purpose of the gift card purchase when reconciling your procurement card statement.