Centralized Contracting Sonoma County

Human Services Department's Contracts Unit

Hollis Williams

EXECUTIVE SUMMARY

Sonoma County Human Services Department (HSD) implemented a central contracting process. The purpose of this project is to explore HSD's implementation of its central contracting practice and explore new ideas for Alameda County Social Services (SSA). With new technology and consent from stakeholders, SSA is poised to internalize some of these attributes as the county begins its own county-wide centralized processing efforts.

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In an effort to streamline processes and create a coherent and accurate account of contracts and contracts administration, Sonoma County Human Services Department (HSD) implemented a central contracting process to reside and operate within the Director's Office. The purpose of this project is to explore HSD's implementation of its central contracting practice. From in-person interviews to document review, this case study assesses what worked well, what is being done, how HSD processes compare to Alameda County Social Services (SSA) and, finally, what SSA can learn from HSD.

The Sonoma County Human Services Department (HSD) provides services that benefit more than 100,000 seniors, veterans, adults, teens, children and people with disabilities. There are four service divisions in HSD:

> - *Adult and Aging Services* helps ensure the safety, independence and well-being of older adults, persons with disabilities and military veterans and their families.
> - *Economic Assistance* helps low-income and other individuals and families apply for food assistance, health care and dental care benefits, financial assistance and other services to meet basic needs.
> - *Employment and Training (EandT)* provides job search, employment and training services for residents.

> *Family, Youth and Children's Services* helps ensure the safety and well-being of
>
> children and teens who have been abused or neglected.

Prior to 2012, Sonoma County HSD had three separate contracting practices for the four divisions. In late 2011, the then Interim Agency Director, Jerry Dunn, commissioned his staff to examine the contracting practices within the agency. In February 2012, HSD implemented a central contracting process. The template moving forward would be based on the model used by the E and T division. Today, every division in HSD uses the Contracts Office to create and execute contracts. Interviews from staff speak to the vast improvement in standards and processing time since the centralization of contracting. The revised process provides standardization for all HSD agreements and increases HSD's ability to have data available regarding contracts, funding and Intra-County agreements.

Structure of the HSD Contracts Unit

The Contracts Unit develops, processes, tracks and manages all agreements for the HSD. This includes contracts, revenue agreements and Memoranda of Understanding (MOU) with other county departments or districts and non-monetary coordination MOUs. The Contracts Unit is located in the administrative office in the HSD and consists of a Contracts Manager, a Planning Analyst and two Administrative Aides. The centralization of contracts allows standardization of contracting practices, automated tracking, creation and implementation of a contracting template, and overall accountability.

HSD Contract Tracking and Record Maintenance

The Contracts Unit serves as a repository for all agreements and maintains historical and

background information, extensive notes and other documentation to help bridge knowledge gaps.

Hard copies of contracts and other agreements are typically disposed of three years after termination. Scanned copies are retained in a centralized network drive for much longer for reference, audits or background purposes. The Contracts Unit has a database that provides a single place to capture, track and extract data about the agency's contracts and MOUs for end users and contracts staff.

Contract Coordination and Planning

The Contracts Manager and analysts developed a Department Manual for HSD Contract Processing. The manual ensures consistency across the department. The Contracts Unit assists divisions with planning their contract renewals, amendments and the creation of scopes for new programs. This team approach builds the program knowledge of Contracts Unit's staff and simplifies communication regarding division needs, services and processes.

HSD Contract Boilerplate

The Contracts Unit's staff created a contract Boilerplate template. This template is updated and reviewed annually by Sonoma County Counsel, the Risk Management Office and the Purchasing Agent, as needed or requested. This boilerplate ensures all contracts begin with common language, expedites the contracts review process, reduced errors and promotes quality and consistency.

Insurance Templates, Verification and Tracking

The Contracts Unit works with Risk Management to ensure the correct insurance requirements

subset is used for each contract or MOU. The subset is based on the scope of work for each

contract. Since subsets are frequently updated by Risk Management Office, the Contracts Unit

verifies that update-to-date subsets are used. Using a dedicated contracts database, Contract Unit

staff tracks the expiration of insurance documents. This process ensures compliance and

adherence to state and federal regulations.

Database

The contract staff also commissioned the creation of the Contracts Tracking Online Management

(CTOM) database to assist the contract staff in maintaining their tracking and monitoring efforts.

The CTOM maintains status information for all agency contracts and MOUs.

Key Features of the Contracting Tracking Online Management (CTOM) database are

summarized in the chart below. The CTOM facilitates many of the departmental requests for

contract origination, updates and amendment request from departmental staff. The database

provides custom reports that allow users to request, track the status of a request, and view

executed contracts online. Because the CTOM functions in real time, users are allowed to update

service changes or contractor contact information.

CTOM Database

Generally the process of using the CTOM includes:

➢ Users making a request for a new contract or MOU.

    I.   For a contract request, users identify contractor or vendors from an existing list and select the type or category of service.

➢ Users' ability to view the status of contract request.

I.   Status updates with timelines are available for each request.

➢ For fully executed contracts, users being able to review a contract's tracking identifier and a scanned copy of the executed contract.

I.   Amendments for executed contracts may also be requested.

Sonoma County Reports

HSD issues a monthly report known as Trendex. This report includes current and trending workloads, outcomes, staffing and contracts information. Within the Trendex report, the Contracts Unit's staff publishes data aggregated from the CTOM database. For the contracts Unit, Trendex shows:

➢ The number of executed contracts

➢ The number of executed MOUs

➢ The number of contract and MOUs under review

> The estimated revenue of external contracts

Sonoma County Human Services Department
Department Wide (Oscar Chavez 707.565.3812 and Karen Fies 707.565.6990)

Contracts and MOUs		2010 Dec	2011 Dec	2012 Dec	2013 Dec	2014 Dec	2015 Dec	2016 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	6 month change	12 month change	24 month change
25	Open Contracts/MOUs/Reviews/Revenues*	478	343	300	271	281	302	315	325	346	346	362	362	363	130	337	338	329	330	-6.3%	9.3%	17.4%
	a) Contracts*	na	na	231	188	186	187	200	209	212	212	213	226	227	62	193	190	187	190	-15.9%	1.6%	2.2%
	b) MOUs*	na	na	69	67	66	64	64	66	80	81	84	69	69	31	76	79	79	78	13.0%	21.9%	41.8%
	c) Reviews*	na	na	na	16	26	34	34	33	33	33	32	36	36	29	36	38	36	36	2.9%	5.9%	44.0%
	d) Revenues*	na	na	na	11	16	17	17	19	21	20	23	22	21	18	31	30	26	26	18.2%	52.9%	73.3%
26	Annual $ in Contracts and MOUs* (mil)	na	na	na	$16.5	$21.0	$31.7	$29.8	$34.1	$39.3	$38.8	$38.8	$37.2	$37.6	$10.0	$39.0	$38.3	$28.0	$26.9	-27.7%	-15.2%	28.3%
27	Open Contracts/MOUs/Reviews/Revenues*	na	na	na	271	281	302	315	325	346	346	362	363	364	130	337	338	329	330	-6.5%	9.3%	17.4%
	a) A&A*	na	na	na	64	59	66	69	76	76	74	76	77	78	20	72	66	64	65	-15.6%	-1.5%	10.2%
	b) EA*	na	na	na	14	16	19	19	18	19	18	20	20	20	16	18	18	16	18	-10.0%	-5.3%	20.0%
	c) E&T*	na	na	na	32	32	36	35	38	39	38	38	41	42	22	52	52	50	39	-4.9%	11.4%	21.9%
	d) FY&C*	na	na	na	128	129	131	139	142	144	148	147	154	154	61	130	136	133	138	-10.4%	5.3%	7.0%
	e) Fisc-Ops*	na	na	na	6	4	4	6	6	6	6	6	6	6	1	2	3	4	4	-33.3%	0.0%	0.0%
	f) Office of the Director*																					

Excerpt from Trendex Report

Trendex also displays the total contracts by department and the annual and monthly dollars allocated through contracts. Trendex also displays the rate of change for the last 6, 12 and 24 months.

Alameda County Social Services: Contracts Office

In Alameda County, the Contracts Office is housed within the Administration and Finance Division. The Contracts office is responsible for the administration and management of most all agency-wide contracting, with the exception of Adult and Aging contracts, which are processed separately and use separate procurement activities. Procurement activities, include: Request for Proposal - RFP, Request for Quote - RFQ and sole source. The Contracts Office utilizes county standard policies and operating procedures for the procurement, development and management

of agency-contracted services. The team is comprised of a Contracts Manager, two Supervisors and nine Program/Financial Specialists (PFS). The PFSs conduct fiscal monitoring, process contract payments and maintain data in the county's contract data tracking system. Adult and Aging contracts are maintained by the Adult and Aging Division. These processes are overseen by a Division Director, one Supervisor and four Program/Financial Specialists.

Alameda County Databases: CAS and ALCOLINK

The Contracts Office maintains a shared database, Contract Admin System (CAS). This system is a network accessible Access database. The database is maintained by the County Information and Technology Department (ITD). CAS serves as a departmental repository of contracts. Official records, such of Contract ID, Purchase Order Number, and dollar amounts, are maintained in the database. Alameda County also maintains county-wide database, ALCOLINK, for audit purposes. CAS and ALCOLink databases are not connected. Duplicate data entry is required to maintain accuracy in the both systems.

Change in Process: DocuSign and Salesforce

On September 15, 2015, the Alameda County Board of Supervisors authorized ITD and SSA to implement a pilot project that enabled contractors and SSA staff to renew Community-Based Organization (CBO) Master Contracts with the use of electronic signature technology, DocuSign. Since the system was implemented in May 2016, over 60 contracts have been successfully completed using the county's eSignature solution by both the Suppliers and the SSA Director. After SSA staff uploaded contracts and supporting documents into the new system and initiated the workflow, 55% of the 60+ contracts were signed and completed by all parties and automatically uploaded into ALCOLINK in less than six hours. Sixty-six percent of all the

contracts were completed in less than one day. The end-to-end digital process saved over 6,000 sheets of printed paper that would have been required for a wet signature.

In summer 2017, Alameda County plans to launch contract monitoring and administration using the Salesforce platform. This new tracking system will allow the contract staff to track contract execution status, collaborate with program partners and provide real-time data analysis to stakeholders. The intent is to allow all county departments to have one central database for contract tracking, monitoring and reporting

How Can Alameda County Benefit From Sonoma's Centralized Contracting Process?

In the last five years, Sonoma County HSD has vastly improved its contracting process. By centralizing its contracting processes, HSD has institutionalized standardization, created efficiencies in contract execution, and fostered ownership and collaboration within the agency. The process creates a wealth of important and useful data. While Alameda County Social Services Agency has already utilized an integrated database for tracking executed contracts, there are many ideas SSA can learn from HSD's contracting practices. What stands out is the level of openness and transparency. Sonoma County provides a more active invitation to information in its contracting practices. From allowing department heads to request contracts or renewal via an online system to providing a self-service website that provides real time status updates for contracts, Sonoma County allows more access to information. SSA is poised to internalize some of these attributes as the county begins its own county-wide, centralized processing efforts. With the utilization and new technologies, such as DocuSign and Salesforce, Alameda County SSA and the all other county departments are on a path of greater collaboration and transparency.

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