

Sonoma County' Contracts and Procurement Unit:
Innovations for the Contracting Process in Solano County

Jayleen Richards

EXECUTIVE SUMMARY

This report examines the centralization of Sonoma County Human Services Department's contracting and procurement process and the creation of the Contracts and Procurement Unit in the department. This report also examines Solano County Health and Social Services contracting and procurement process and the innovations it could adapt from the experience in Sonoma County.

In 2011, Sonoma County Human Services Department centralized the contracting and procurement process and created the Contracts and Procurement Unit within the Director's Office. The contracts and procurement process is streamlined and efficient and has brought professionalism, consistency and transparency to the contracting process. The main tool utilized for this process is the Contracts Tracking Online Management System. Other strategies include communication and training with the department's managers.

Solano County Health and Social Services has a lengthy and fragmented contracting and procurement process. Additionally, the contracting process in the county could learn from Sonoma County's experience and add a training component for managers along with an improved process that would institute regular and consistent communications about the status of contracts. Furthermore, community-based organizations/contractors would benefit from a more consistent and transparent system. For these reasons, Solano County Health and Social Services

should consider adopting some of Sonoma County's contracting and procurement processes and procedures that are highlighted in this report.

Sonoma County’s Contracts and Procurement Unit:
Innovations for the Contracting Process in Solano County

Jayleen Richards

Background

Solano County is a medium-sized county located in the San Francisco Bay Area with a population of 431,131. It includes the cities of Benicia, Dixon, Fairfield, Rio Vista, Suisun City, Vacaville and Vallejo, as well as Travis Air Force Base. The county is adjacent to Contra Costa County to the south, Napa County to the west, Yolo County to the north and Sacramento and San Joaquin Counties to the east.

Solano County Health and Social Services (SCHSS) is a super agency and includes the following divisions: Administration, Behavioral Health Services, Child Welfare Services, Employment and Eligibility, Medical Services, Public Health and Special Investigations. The Older and Adult Disabled Services and In Home Support Services are located within the Public Health Division. Solano County Health and Social Services includes 1,211 employees and has offices located in Fairfield, Vacaville and Vallejo with satellite offices/services in Dixon, Rio Vista and the Migrant Center in Dixon.

Currently in Solano County, as in many counties, the contracting process is a laborious process. A contract may take as little as six weeks to fully execute and in some instances, up to six months to fully execute depending on the type of contract (e.g., a contract sent out to bid). Also, SCSSS has limited discretion in approving contracts. It has recently embarked on efforts to streamline the contracting process within the department. To further these efforts, Solano

County hopes to learn from Sonoma County Human Services Department (SCHSD) about how it streamlined the contracting process.

Overview

In 2011, the Executive Team of the Sonoma County Human Services Department issued a directive to create a Contracts and Procurement Unit (Unit) which would be located within the Director's Office. This directive was championed by the director of the department. Employees from other divisions were reassigned to the Unit. Ultimately, the Unit included two staff analysts, two administrative aides and one manager. Annually, the Unit processes approximately \$27,000,000 worth of contracts.

In addition to the Contracts and Procurement Unit creating a streamlined system to execute a contract, the Unit standardizes and professionalizes the contracting process. For example, the Unit generates a weekly contract status report to track the status of contracts. The Unit also provides training and education to managers about the contracting process and system.

Information about the contracting process is available online for managers to review and refer to about the contracting process, and there is a training component for managers. Furthermore, contractors face consistency about contract language and process as well as the bidding process.

The Unit is seen as a valuable resource within the department.

Key Findings

Initially, in 2011, managers were reluctant for the Contracts and Procurement Unit to take over the contracting process in a centralized fashion. Division managers were worried that the Unit would not be able to grasp and track the intricacies of a program's rules and regulations.

Managers feared that the lack of this knowledge would put the division's programs at risk during an audit by the state and/or federal government.

When the Contracts and Procurement Unit was created in Sonoma County, veteran staff who had experience with contracts in multiple programs were assigned to the new Unit. The experience, knowledge and abilities of the staffers helped with the transition to a centralized Contracts and Procurement Unit, and division managers gained confidence with the new process. Additionally, employees within the Unit were each assigned to divisions to act as a liaison for the division and build their expertise and knowledge about the division. When managers were interviewed for this project, they stated that they gained more from the Contracts and Procurement Unit than what they had to give up.

At the onset of the development of the Contracts and Procurement Unit, the Unit led an effort with the Information Technology staffers (imbedded within the department) to create a Contracts Tracking On-line Management (CTOM). CTOM is a database that tracks contracts through final execution. Division managers enter contracts into CTOM. The system automatically populates the contractor's name and address (and allows users to update the contact information). Once this information has been entered and the scope of work and budget (e.g., Exhibitss A and B) has been submitted, CTOM automatically sends an email to the Contracts and Procurement Unit and the appropriate fiscal personnel about the contract. The Contracts and Procurement Unit *packages* the contract, including the appropriate insurance template for the contract and other verifications, such as professional licenses. The Unit routes the contract through the review process, including County Counsel and Risk Management (see Diagram 1 below). The Contracts and Procurement Unit is the lead on facilitating the navigation and interfaces with others who need to review or sign off on the contract. This builds consistency—a consistent message and

product—within the department and with contractors working with the county. In the department, the contracting process may take four to five weeks to fully execute a contract (without a bid).

Diagram 1

CTOM: Contract Tracking Feature

The screenshot displays a contract tracking interface with the following fields and values:

Request Received: 8/30/2013 11:06:12 AM	To CU Analyst: <input type="checkbox"/> NA 08/29/2013	<input type="checkbox"/> Contains Non Standard Language
Questions Sent to Div/Risk/CC: <input type="checkbox"/> NA	Answers Received: <input type="checkbox"/> NA	<input type="checkbox"/> PDR <input type="checkbox"/> ICF
To PDM for Review: <input type="checkbox"/> NA	Received from PDM: <input type="checkbox"/> NA	Status: Executed, see Contracts view
To Division for Review: <input type="checkbox"/> NA	Division Approval Received: <input type="checkbox"/> NA	
Date Sent to Aide: <input type="checkbox"/> NA 08/29/2013		
To County Counsel: <input type="checkbox"/> NA	From County Counsel: <input type="checkbox"/> NA	
To Contractor: <input type="checkbox"/> NA 08/30/2013	From Contractor: <input type="checkbox"/> NA	
To Division Director: <input type="checkbox"/> NA 09/12/2013	From Division Director: <input type="checkbox"/> NA 09/13/2013	
To Gigi: <input type="checkbox"/> NA	BOS Date: <input type="checkbox"/> NA	
Insurance Received: <input type="checkbox"/> NA	Insurance Verified: <input type="checkbox"/> NA	
Sent for Final Signature: <input type="checkbox"/> NA 09/13/2013	Purchasing Agent Executed: <input type="checkbox"/> NA 09/16/2013	
Executed by HSD Director: <input type="checkbox"/> NA	Other Executed: <input type="checkbox"/> NA	
Final Contract Scanned: <input type="checkbox"/> NA 09/16/2013	Contract Canceled Date: <input type="checkbox"/> NA	

Additionally, when creating CTOM, the Sonoma Information Technology and the Contracts and Procurement staffers worked together to develop the database. The database specifically meets the needs of the department and users. For example, the database clearly indicates where the contract is in the approval processⁱ (see Diagram 1 above). CTOM also generates reports based on the users' needs (see diagram 2 below)—a weekly report is provided to Contracts Unit staff and used as a tool to communicate with division managers. To further the

lines of communication, the Contracts and Procurement Unit also holds quarterly meetings with division managers to review the report and discuss any pending or upcoming contracts and/or issues.

Diagram 2

CTOM Report Example

Contract Status
2/28/2017

Contract #	Contractor	Amount	StartDate	EndDate	Description	PPEA	ToGigi	BOSDate	Status	Days	Rec'd
1 FYC-ANET-AHAS-1618	- New AnswerNet	\$ 40,000	11/1/2016	6/30/2018	Telephone answering service for both FYC and Adult and Aging hotlines.	Steven			Pending Insurance approval	508	10/8/2015
2 PREE-DHS-PROB-WSCHSD-DATA-1626	West Sonoma County High School District	\$ -	12/1/2016	6/30/2026	County and School District Data Sharing MOU (DHS in Lead)	Julie			In Process	300	5/3/2016
3 FYC-ELI-WMG-1618	- Early Learning Institute	\$ -	7/1/2016	6/30/2018	Watch Me Grow program	Steven			Signature Process: With Contractor	293	5/10/2016
4 AA-PLAN-IT-5310-1617	- Planeteria Media, LLC	\$ 29,468	2/1/2017	6/30/2017	Updates to SonomaAccess.org website, the one-stop on-line transportation resource center for 5310 Caltrans grant	Julie			Approval Process: With Division	255	6/17/2016

Also, CTOM serves as a resource of information in the Sonoma County Office of Human Services. For example, the information in CTOM is used to produce resource and referral information for staffers within the department and to outside agencies. Additionally, CTOM provides a list of agencies to send procurements to when a Request for Proposal/Qualifications has been issued. Finally, the database system generates reports about how much each vendor is receiving from the department.

In addition to seeing contracts through the process and final execution, the Contracts and Procurement Unit oversees Request for Proposals/Qualifications (See diagram 3 below). The bid process, the issuance of Request for Proposals/Qualifications, takes the department about three to

four months from issuing the bid to fully executing the contract. The Unit provides training and education to division managers about procurement. The proposal submission process is electronic—agencies and/or organizations responding to a bid submit proposals via the county’s electronic system. The Unit provides technical assistance to smaller non-profits on how to upload a proposal to the system. The Unit also solicits and instructs the reviewers on how to evaluate the proposals and facilitates the discussion among the reviewers.

Diagram 3

Sonoma County Human Services Department: Policy for Solicitations

Amount	Policy or Procedure
Up to and including \$5,000	Department Head approval only
\$5,001 and up to \$25,000	Price or other comparison OR Sole Source approved by Department Head
\$25,000 and up to \$50,000	Written quotes or other informal procurement or Sole Source approved by Department Head
>\$50,000	Formal procurement with RFP/RFQ ⁱⁱ OR Single Source Waiver approved by Department Head and Purchasing Agent

To further streamline the process within Sonoma County, the County Administrator’s Office recently approved that all county department heads could sign contracts for services up to

\$50,000 and authorized the County Purchasing Agent to sign contracts between \$50,000 and \$100,000 without going to the Sonoma County Board of Supervisors for approval. Overall, as seen in Diagram 3, Sonoma County Human Services has discretion about bids, sole sources and contracts up to \$50,000 and the process is streamlined since contracts only equal to or greater than \$100,000 go to the Board of Supervisors.

Lessons Learned

Currently in the SCHSD, fiscal personnel track vendor claims from contractors and the contractors' expenditures year. CTOM was specifically developed to track the contracting process, not expenditures. This type of information in the CTOM system may be helpful to division managers working with contractors on meeting the terms stated in the scope of work.

As mentioned above, the Contracts and Procurement Unit includes five personnel, including two staff analysts, two administrative aides and a manager. The Unit does not have a budget and is included under the Department Director's Budget. The cost of the personnel to operate this unit is an estimated \$675,000 annually (salary plus benefits).ⁱⁱⁱ Additionally, operating expenses, such as equipment, office supplies and training/education, may run an additional \$25,000. The total budget for the Unit is an estimated \$700,000 annually.^{iv} The sources of funding for this unit are a blend of funding sources and are included in the divisions' overhead costs.

Finally, the Contracts and Procurement Unit reports that being an independent part of the executive office has helped the Unit develop a consistent process. The Unit also states that it aims to make the processes around contracting, procurement and evaluation stronger than the people who work in the Unit. That is, the department wants these relatively new contracting

systems and procedures to last beyond the time period the current employees in the Unit are working in it. The department and the Unit in Sonoma County are planning for sustainability.

Innovations for Solano County

Currently in Solano County, the contracting and procurement process is decentralized. A contract manager within a division is responsible to fully execute a contract and/or issue a bid for the contract. Also, there is slight discretion with approving contracts and sole sources. For example, a contract less than \$5,000 shall be signed by a SCHSS director. Contracts between \$5,000 and \$49,999 shall be signed by the County Administrator, and contracts more than \$50,000 shall be submitted to the Solano County Board of Supervisors for approval.

In the Solano County Health and Social Services Department, a contract equal to or greater than \$5,000 up to \$50,000 may take six to eight weeks to secure (without going out to bid). Contracts equal to, or greater than, \$10,000 shall be issued for bid or a sole source justification is submitted to the Central Services Manager in the General Services Department for approval. A contract that is \$50,000 goes to the Solano County Board of Supervisors for approval and may take eight to twelve weeks to fully execute. When a Request for Proposal or Qualifications is issued, the process usually covers a time period of five to six months to fully execute a contract.

Solano County Health and Social Services Department invested in an electronic database system, MediTract, to electronically track new contracts, contract renewals, and more recently, vendor claims. However, this last feature has not been fully realized by program managers yet.

MediTract was created for a wide audience in mind and does not include specificity for SCHSS.

The Contracts Bureau in the Administration Unit of Solano County Health and Social Services Department includes a project manager and two office assistants. The office assistants interface,

for the most part, with County Counsel, fiscal and other agencies that review the contract. Ultimately, the division manager is responsible for seeing the contract through. Furthermore, there is limited training for contract managers about the SCHSS procurement and contracting process, and limited information is provided online for reference.

Similar to Sonoma County's Human Services Department, Solano County Health and Social Services Department bundles all contracts to be renewed at the beginning of the Fiscal Year into one package to submit to the Solano County Board of Supervisors—referred to as the *masterlist* in Solano County.

Recommendations and Next Steps

- Centralize the contracting and procurement process within the department: Sonoma County's Human Services Department is similar in size to Solano County's Health and Social Services Department (9,930 employees compared to 1,200 employees). To centralize the contracting and procurement process within Solano County's Health and Social Services Department, at least two more professional level staff, including classifications such as staff analyst or program manager, should be hired for, or reassigned to, the Bureau. This would represent an approximate increase to the Contracts Bureau's budget in the amount of \$300,000-\$325,000. If personnel are reassigned, the costs may be less. Costs for additional employees in the Bureau could be included in the divisions' overhead amount. As a result of this change, division managers would draft scope of work plans and budgets and submit them to the Contracts Bureau—the Contracts Bureau personnel would package and see the contract through to final

execution. This staffing model should be proposed during the budget process for Fiscal Year 2018/19.

- Professionalize the contracting and procurement process: Provide regular training and education to new managers. Post contracts, procurement procedures and training materials on the department's Intranet. Establish regular communication between Contracts Bureau and Division managers, including a report about pending contracts and contracts up for renewal. Regularly meet with Division Managers about pending contracts and/or contract and procurement issues. Build expertise with each division's contracts and interface with Risk Management, County Counsel and others. Establish and update insurance templates for contracts. The Administrators' Meeting Group could initially take on the task of creating a training and education component for new managers about contracts and procurement. The expanded Contracts Bureau could provide the training.
- Explore if MediTract meets the needs of Solano County Health and Services Department: Solicit input from MediTract users about the usefulness of the system and recommendations to improve it. Explore if MediTract has the capacity to provide managers with contract tracking information; a weekly report; resource and referral information; total amount county funds agency; and a contact list for Request for Proposals/Qualifications. Explore the capacity of the Department of Information Technology to build a contracts management system and/or a procurement system.
- Explore simplifying the bidding process and contracts that go before the Board: Explore with other Solano County Departments options to present to the County Administrator

and Board of Supervisors about how the contract and bidding process could be simplified and how it would streamline and save time and money for the county.

Overall, the contracting and procurement process in Sonoma County provides consistency and fairness to the process. To centralize contracting and procurement in Solano County would not only improve efficiency, but it would also make the process more equitable for contractors including community-based organizations. For these reasons, and the reasons stated above, Solano County Health and Social Services should consider moving forward with this report's finding and recommendations.

Acknowledgements:

Kathy Halloran is the Contracts Manager for the Sonoma County Human Services Department. She served as the point of contact for this project. I would like to thank her, her staff, and other members of the Sonoma County Human Services Department for dedicating time to this project and allowing me time to interview them about the Contracts and Procurement Unit in the department. Everyone was quite welcoming and gracious with their time, and I appreciate the learning opportunity.

Bibliography

- I. County of Sonoma, Class Specification Bulletin, Administrative Aide, Revised April 1, 2005
- II. County of Sonoma, Class Specification Bulletin, Program Development Manager, Revised November 1, 2010
- III. County of Sonoma, Class Specification Bulletin, Program and Planning Evaluation Analyst, Revised August 16, 2012

- IV. Sonoma County Human Services Department, Agreement for Provision of Services, June 2016
- V. Sonoma County Human Services Department, Contracts Unit Proposal, 2015
- VI. Sonoma County Human Services Department, Contracts Status, February 28, 2017
- VII. Sonoma County Human Services Department, Contracts Tracking Online Management (CTOM) System Instructions for Division Staff, 2014
- VIII. Sonoma County Human Services Department, Procurement and Contracting, Mega Managers Training, 2017
- IX. Sonoma County Human Services Department, Request for Proposals Template, November 2016
- X. Sonoma County Human Services Department, Sonoma County Human Services Administrative Manual, Developing Department Agreements, Section 05-03, Revised June 2016
- XI. Sonoma County Human Services Department, Sonoma County Human Services Administrative Manual, HSD Professional Services Procurement Policy (DRAFT), pending approval, 2017

ⁱ The Contracts and Procurement Unit enters status data into the CTOM system manually.

ⁱⁱ Request for Proposal/Request for Qualifications

ⁱⁱⁱ Estimates were produced by Jayleen Richards and not Sonoma County

^{iv} Estimates were produced by Jayleen Richards and not Sonoma County