

NEVADA COUNTY BOARD OF SUPERVISORS RESPONSES TO

2019 Nevada County Civil Grand Jury Report

Request for Proposal and Procurement Practices

DATED July 9, 2019

Responses to findings and recommendations are based on either personal knowledge, examination of official county records, review of the responses by the County Executive Officer, Auditor-Controller, County Counsel, Public Defender, Behavioral Health, and Health and Human Services agency representatives or testimony from the Board of Supervisors and county staff members.

A. RESPONSES TO FINDINGS

F1. The County does not have approved policies or producers for the efficient operation of the Purchasing Department.

Disagree.

On May 28th 2019, the Board of Supervisors by resolution 19-241 passed and adopted the Nevada County Purchasing Policy.

F2. The County's Purchasing Guide is a training manual, not a formal policy or procedure. The Purchasing Guide contains discrepancies between its contents, the Admin Code, and California Government Code; is not consistent with generally recognized best procurement practices, is ambiguous as to RFP procedures, and is not always followed by County Offices and Departments.

Agree.

F3. County employees receive training on the Purchasing Guide, but many who conduct purchasing operations and/or manage contracts are not fully trained on and do not always follow best procurement and contract management practices.

Disagree.

The purchasing guide has been replaced with a Board of Supervisors adopted Purchasing Policy recently. County staff who perform purchasing functions will be trained on the policy. With the size of an organization as large as the County, departmental staff with purchasing duties do change over time as people come and go, get promoted, or shift positions. As such, it is an ongoing

effort to train new people on a regular basis across the year. The County has implemented a new contract management system to track countywide contracts to best practice standards.

F4. RFP practices in the Purchasing Guide have a number of correctable issues that could be addressed with detailed procedures if properly followed by County Offices and Departments.

Agree.

F5. The Office of the Auditor-Controller lacks sufficient staff to conduct contract reviews pursuant to BoS Resolution No. 98-479, dated 27 October 1988, which requires internal contract audits be conducted since 2009 when the Auditor-Controller's staff reduced by 25%.

Disagree.

The Auditor Controller office has sufficient staff to conduct contract audits and does so regularly.

B. RESPONSES TO RECOMMENDATIONS

R1: The CEO, in cooperation with the County's Purchasing Agent, should continue researching procurement best practices and establish appropriate written procurement policies, practices and procedures that would be followed in executing County procurement processes.

The recommendation has been implemented.

On May 28th 2019, the Board of Supervisors by resolution 19-241 passed and adopted the Nevada County Purchasing Policy.

R2: The County's Human Resources department and Purchasing Agent should conduct an assessment of the training needs of current procurement staff and implement a plan for the training of new procurement employees on generally recognized best procurement practices.

The recommendation has been partially implemented.

On May 28th 2019, the Board of Supervisors by resolution 19-241 passed and adopted the Nevada County Purchasing Policy. Purchasing Staff will be

working with Human Resources to provide training on the Nevada County Purchasing Policy.

R3: The Purchasing Agent should submit a report to the BoS on completed revisions to the Purchasing Guide, as well as policies and procedures.

The recommendation will not be implemented at this time.

The Purchasing Guide has been replaced with the Nevada County Purchasing Policy via Resolution 19-241.

R4: The Purchasing Agent should, within 60 days of establishing formal written policies, practices, and procedures, and completing revisions to the Purchasing Guide, lead each County agency through training on the County's new policies, practices, and procedures.

The recommendation will not be implemented because it is not warranted.

The County has replaced the Purchasing Guide with the Nevada County Purchasing Policy; therefore, the County will not provide training on the Purchasing Guide. However, training on the Nevada County Purchasing Policy will be provided over the course of the next year.

R5: The Purchasing Guide should be reviewed and updated annually.

The recommendation will not be implemented because it is not warranted.

While the Purchasing Guide will not be reviewed and updated annually, the Purchasing Policy will be reviewed annually and updated as applicable.

R6: The Purchasing Guide should be updated to include the following:

- a. Required BoS approvals prior to issuance of an RFP;
- b. Establishment and handling of protest periods;
- c. Evaluation panel reviewer selection and recusals;
- d. Procedure in the event of evaluation panel reviewer statistical anomalies;
- e. Bidder qualification reviews where contract administrators have escalated concerns regarding a vendor's past contract performance;
- f. Maintenance of documented administrative files during a blackout period of County employee contacts involved with the RFP process and RFP respondents other than the County person named in the RFP documents; and
- g. Maintenance of complete administrative files documenting and justifying final decisions when that decision goes against the evaluation panel's recommendation.

The recommendation will not be implemented because it is not warranted.

The Board of Supervisors adopted the Nevada County Purchasing Policy on May 28, 2019 that outline industry best practices for procurement policies.

R7: The CEO's Office should complete a review of the Office of the Auditor-Controller and the staffing needs required to comply with BoS Resolution No. 98-479 as soon as possible.

The recommendation will not be implemented because it is not warranted.

The Auditor Controller office has sufficient staff to conduct contract audits and does so regularly.

R8: The CEO's Office should work with the Office of the Auditor-Controller to develop a checklist for contract administrators to document at least annually vendor performance and compliance with liability insurance requirements.

The recommendation will not be implemented because it is not warranted.

In general, a personal service contract that is approved by the Board includes a Scope of Work that is evaluated against before payment can be issued. Additionally, all contracts must meet the approval of the Risk Manager's liability checklist.

R9: All County contract administrators should, using the checklist referred to in R8, conduct performance evaluations and document them in an administrative file. Problems or concerns with a vendor's performance should be formally investigated and addressed.

The recommendation will not be implemented because it is not warranted.

County personal service contracts include a Scope of Work that is evaluated against the work performed before payment can be issued. Additionally, all contracts must meet the approval of the Risk Manager's liability checklist.