



## MULTNOMAH COUNTY

### FY 2023 Budget Work Session Follow Up – Department of County Management

#### Department of County Management – May 10, 2022

##### Question 1

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**Commissioner Jayapal (District 2):** Please provide additional information and plans for the Contractor Capacity Review (Program 72055) \$250,000?

**DCM Response:** This program offer is an attempt to move forward with short-term and long-term solution development to the challenge facing many of our nonprofit partners: providing competitive wages to attract and retain employees.

Our short-term approach focuses on some immediate changes we can make in the County's RFP development and contracting processes that we believe will make a modest impact on funds available for nonprofit partner salaries. We will hire a limited duration human resources employee (\$175K) who will conduct compensation studies for specific contracted services positions. For example, during FY 2023, DCHS will launch the process for a new RFP for Sun School Services (to be issued 9/2023). Those services are expected to include the hiring of Sun School Coordinators and Youth Advocates. We plan to study the market rate (nonprofit, private and government comparables) for these positions to ensure we allocate enough dollars to fully support the successful contractor in the hiring and retention of their employees since we know the employment market has changed significantly since our last RFP process. Where no additional funding is available to address these increased costs, we may need to reduce the level of services provided.

The longer-term approach included in this program is to participate in the Oregon Solutions project to study comprehensive approaches that address the complexity of the funding sources for community nonprofits. This project is still in formation, so we are not yet clear about the financial expectation for participation. We are allocating \$75K of this program offer to meet those needs.

##### Question 2

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**Commissioner Meieran (District 1):** Workplace Security: How is County Management and County Assets working together to implement the security consultants' recommendations?

**DCM Response:** An additional Worksession is being scheduled to discuss the topic of Workplace Security. Both DCM and DCA will provide additional information.

##### Question 3

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**Commissioner Meieran (District 1):** Countywide Contracting (potential for FY 2023 briefing)



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- How does the County work to streamline the process for our Community Based Organizations (CBO's) and Nonprofit partners?

There were several improvements in both transparency and process that came about due to the implementation of Multco Marketplace (MMP) as part of the County's ERP replacement process in 2018. First, the County created a unified electronic supplier list. Before MMP, supplier lists were generated manually by Departments without any rigorous methodology to ensure all interested suppliers were included on the notification list. This sometimes resulted in suppliers (even incumbents) not being aware that the County was procuring for a service. Today, when opportunities are available, an email notification is pushed to suppliers who have told us they provide those types of services.

At the time of MMP implementation, we also changed the rule for which procurements were publicly available. Previously, any solicitation between \$10,000 and \$150,000 only had to be sent to three suppliers and there was no public notice of these opportunities. Today, any solicitation over \$10,000 is both posted publicly on our website and a link to it is emailed to any suppliers who have registered with us to get notifications for these types of procurements. For a sense of scale, there are approximately 250 of these procurements annually. Pre-MMP, a minimum of three providers received notification; today these are sent to a list of 300+ suppliers who have told us they were interested in knowing about these procurements. This functionally has streamlined the process for CBO's and nonprofits to learn about opportunities the County has available.

In FY23, the COO will sponsor a contracting improvement process that will focus on better understanding the biggest contracting pain points for our suppliers (focus: CBOs and nonprofits) and making recommended enhancements to our County contracting processes. This effort would be supported by Central Purchasing and departmental contract leadership.

- What efforts has the County made to balance administration and oversight along with risk and compliance. What work has been done regarding the County Audit. [March 2016 Large Contracts Audit Follow-up](#)

#### **DCM Response:**

Since the Contracts Audit follow up, we have implemented MMP which has several risk and compliance features built in to support contract administration while managing risk. A complete list of contract compliance items checked by Central Purchasing can found on the [Contract Compliance Checklist](#). This checklist is completed both for every contract and amendment, and stored in the contract record in MMP. Regarding the Contracts Audit, there are specific obligations built into each contract that we ensure are present: Insurance expiration, contract deliverables, and contract expiration. The Obligations



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function automatically sends an email to the appropriate Departmental staff for predetermined events like the insurance expiring, a quarterly report being due, or the ending of the contract.

Tools to aid Contract Administrators with risk mitigation during contracting, including the [Contract Negotiation Risk Action Plan, and Programmatic Pre-Contract Information Form](#) remain available on Central Purchasing's Commons page for Departments to utilize.

Though the County has implemented or resolved all the recommendations laid out in the Large Contracts Audit from 2008, we plan to incorporate a phase two of a contract improvement process (referenced in first bullet of question #3) in FY24. This review will assess existing systems, processes, and controls that address contract performance management, risk assessments for contracting, and countywide contract governance and oversight.

Additionally, we asked departments how they mitigate risk in purchasing, and here are some of the types of things we heard:

- For contracts containing federal funds, a pre-contract and yearly risk assessment is conducted by our Fiscal Compliance office. CBOs are assigned a risk status of low, medium or high risk based on the assessment. If the CBO is deemed to be medium or high risk, additional language is added to the contract and the CBO will be assessed quarterly for high risk and bi-annually for medium risk CBOs. These risk assessments are tracked on a county-wide Google Doc that is updated in real time by the FC staff.
- We conduct performance, financial and security risk assessments during evaluation of proposals, and tailor contract negotiations and contractual protection through additional terms and conditions when appropriate, including specialty insurance specific to the services being performed. DCA includes service level agreements (SLAs) in our contracts and agreements, including the metrics by which service is measured (availability/uptime, performance, etc.) and remedies or penalties when those levels are not met.
- Our team is onboarded and trained via our Contract Managers Manual, a reference guide to standardize and improve JOHS contracting to minimize risk and maximize program delivery. A standardized report feedback form will provide feedback on program reports specifically in the areas of outputs and outcomes, invoice and spending and reporting practices. It is another method to ensure problems identified by agency providers within the program reports are followed up and documented. JOHS contract managers perform three main components in the monitoring process: desk monitoring/risk assessment, performance review (in which any issues that need to be addressed are flagged, which may result in changes to the contracted scope of work or funded amounts), and on-site monitoring.



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- In order to assess risk in our human services contracts, DCJ Contract Specialists consult with Program Managers to complete the Human Services Checklist and to ensure appropriate levels of contract monitoring are written into the Contract Scope. We also consult with our privacy liaison to assess privacy risk, Risk Management to determine insurance and indemnification requirements, and with Fiscal Compliance to determine fiscal risk. These checks are all done before the contract is finalized.