Department of County Management
Finance and Risk Management
Office of the Chief Financial Officer
501 SE Hawthorne Blvd., Suite 531
Portland, Oregon 97214

To: Jessica Vega Pederson, County Chair
Meghan Moyer, County Commissioner District 1
Shannon Singleton, County Commissioner District 2
Julia Brim-Edwards, County Commissioner District 3
Vince Jones-Dixon, County Commissioner District 4

From: Eric Arellano, Chief Financial Officer

CC: Stacy Borke, Interim Chief of Staff County Chair
Chris Neal, Chief Operating Officer
Tracey Massey, Interim Deputy COO and DCA Director
Stacy Cowan, Director, Office of Government Relations
Hayden Miller, Senior Strategic Initiatives Manager

RE: Status Update FY 2026 Budget Note – Budget Note #12 "Grant Writing and DCA Procurement Staffing Reductions Assessment"

Date: December 26, 2025

A Fiscal Year 2026 budget note directs the Chair's Office (through the Department of County Management) to assess the impacts of staffing reductions to other departments, including any additional costs and staff needs, from the reduction of 2.00 FTE in contracting/procurement in Program Offer 78105 (DCA Business Services) and 1.0 FTE Senior Grants position in program offer 10016 (Government Relations Office) by December 31, 2025.

This memo details (in two parts) background information, current status, and recommendations aimed at ensuring critical service levels are in place to maintain and support the administration of effective contracting/procurement and grant administration across the organization.

Program Offer 10016 - Government Relations - 1.0 FTE Grants Position:

Background:

In Fiscal Year 2026, as a result of budget constraints, the Office of Government Relations cut a 1.0 FTE Senior Grants position from the budget. The position provided Countywide grant writing support, certain countywide grant administration support, and federal liaison support for Government Relations.

The Office of Government Relations was able to transition federal liaison responsibilities to an existing budgeted position in Fiscal Year 2026. In an effort to support an effective transition of duties, maintain current service levels, and minimize any negative impacts from the budget reduction, the Office of the CFO retained (as a limited duration assignment) the Senior Grant position from Government Relations in the 2026 budget cycle.

Current State:

In coordination with Sheri Campbell, who currently fills the role, we completed an assessment of current work scope and other County services needed to ensure effective Grant Administration. Below are priority areas where Sheri has focused:

1. In coordination with Government Relations and departments, prepare competitive Federal earmark requests aligned with County priorities for the Federal Delegation.
2. Serve as the CFO's representative on the Federal Impacts Workgroup, responsible for coordinating with Government Relations and the COO's office. This includes supporting the monitoring of impacts on funding streams, development/maintenance of the dashboard, communication plan, and coordination with the County Attorney on emerging issues related to federal funding.
3. Develop a Countywide Grant Making Policy Framework (guidelines) and administer the Community Vitality Grant pilot.
    a. The resulting policy framework will be shared with the board during the first half of 2026, with eventual inclusion into the County Financial and Budget Policies (subject to board approval).
4. Countywide Grants Services:
    a. Identify grant opportunities consistent with County priorities and work with department staff to assess alignment with existing programs.
    b. Support departments throughout the grant development process as needed, including advising, editing and project management.
    c. Assess the broad grant landscape and advise grant strategy across departments.
    d. Support departments without Grants staff; with grant writing, post-award administration, and close-out
5. **Future State Responsibilities - In conjunction with the Finance Shared Services Project**
    a. Work to understand and leverage the linkage between front-end (pre-award), and back end (post-award) grant activities and begin conversations about how that work can be better coordinated.
    b. Update the grant process, including the Notice of Intent (NOI), to mandate coordination in order to increase communication and collaboration between departments.
    c. Establish a technical assistance (focused on administration) program/process for non-profit partners who receive direct funding from Multnomah County
        i. Technical Assistance Examples: How to submit a solicitation proposal? How to Contract with Governments? How to develop and maintain a Cost Allocation Plan? Understanding Federal grant requirements, etc.

d. Serve as an Advisor to the Finance Shared Services project to support the on-going work and assess potential components aligned with a potential Countywide Grants Management approach.

Recommendation:

I recommend the County maintain a Countywide Grants Coordinator/Manager position to establish a Countywide Grants Strategy for the organization, coordinate grant opportunities across departments, support grant writing services, support departments with specific grant administration needs, manage the proposed Grant Making process for the County, and other administrative duties. Recent changes at the federal level have underscored the importance of this position as grant requirements have become more complex and there is greater competition for increasingly limited funds.

As referenced above, the County initiated a project in November, 2025 to centralize certain Finance Administrative functions (including: Procurement, Contracts, Travel & Training, Accounts Payable, Accounts Receivable, Inventory, Grants Management, and Financial Reporting) into a shared services model. The initiative aims to create strategic alignment, reduce organizational risk, reduce inconsistency in business practices, improve operational efficiencies, reduce siloes, and enhance service accountability. Given the timing of the Shared Services project, I recommend we maintain the Grant Coordinator/Manager in the Office of the CFO in the limited duration role. Once the Shared Services Project (specifically the Grant Management phase) is fully implemented we will determine the exact service scope and potential new FTE needs as applicable.

<u>Program Offer 78105 - DCA Business Services - 2.0 FTE Strategic Sourcing Positions:</u>

Background:

As a result of FY 2026 fiscal year budget constraints, the Department of County Assets (DCA) eliminated 2.00 FTE (procurement and contracting staff) dedicated to Countywide Strategic Sourcing efforts. These resources were dedicated to setting Countywide strategy on Strategic Sourcing (including guidelines), handling certain Countywide (and high risk) Procurements/Contracts, analyzing countywide spend, and identifying areas for consolidated spend., In response to these cuts, DCA in, Coordination with Central Purchasing, worked in FY 2026 to transition Countywide procurements/contracts functions into departments without impacting service/good needs or significantly impacting administrative support needs in departments an effort that has not yet been fully implemented to date.

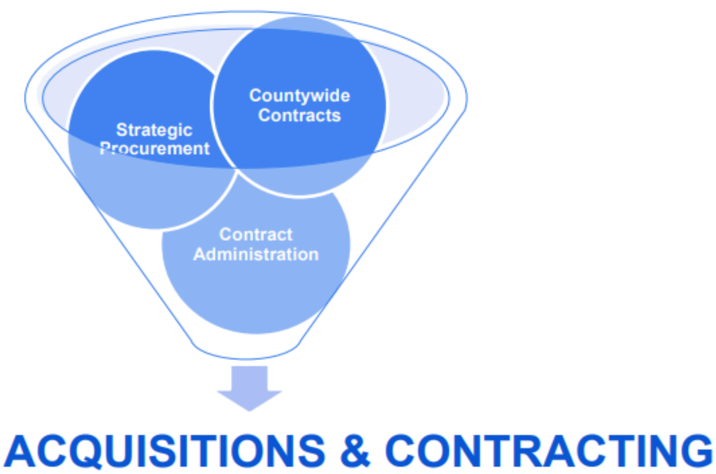
Current State/Recommendation:

The County’s Contract Administration Manager, Steven Johnson, performed a review of County Strategic Sourcing needs (existing and future state) and recommends we maintain, enhance, and move Strategic Sourcing responsibilities into a centralized model under the Department of County Management, a model aligned with industry best practice Under this model, Strategic Sourcing services would focus on the following:

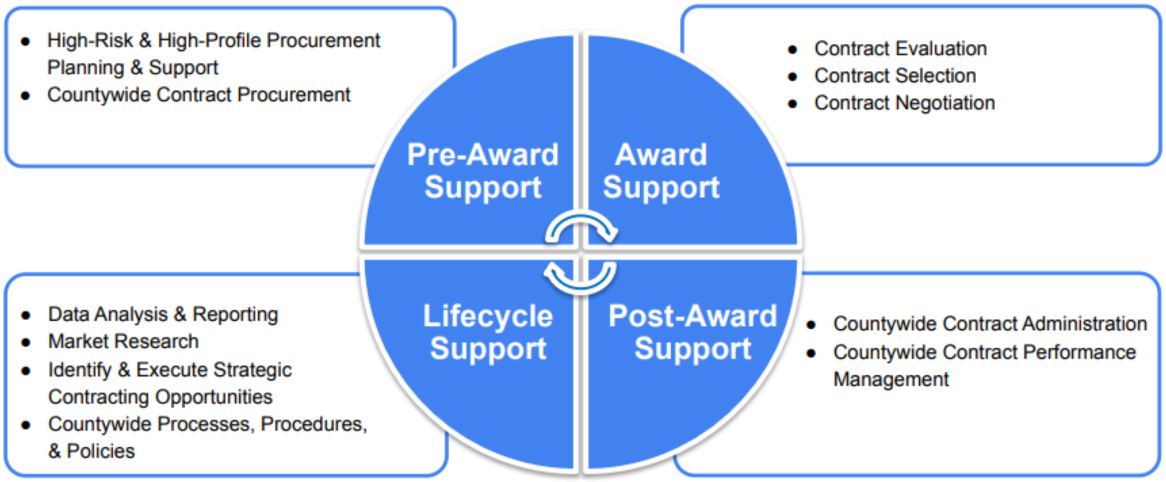
- Administer Countywide procurements/contracts for services and goods (*needs that are not* *specific to one Department*)

- Administer certain high risk Countywide procurements/contracts
- Perform Countywide spend analysis to determine the need for Countywide contracts
- Serve as a strategic partner to departments on service/supply needs
- Perform supplier Market Research
- Identify and execute strategic contracting opportunities aimed at:
    - Delivering **high quality** services/goods and realizing opportunities for **cost savings**
    - **Increasing efficiency** - strategic sourcing can pre-qualify suppliers for future opportunities, shortening sourcing timelines
    - **Improve Compliance** - identify suppliers whose values and business practices best align with County goals/needs

On the next page are 2 visuals that display the proposed future state service model for Strategic Sourcing in the Department of County Management:



Visual 1: Recommended Strategic Sourcing Future State



Visual 2: Recommended Strategic Sourcing Future State Services

In November 2025, the County initiated a project to centralize certain Finance Administrative functions (including: Procurement, Contracts, Travel & Training, Accounts Payable, Accounts Receivable, Inventory, Grants Management, and Financial Reporting) into a shared services model. As described earlier, the initiative aims to create strategic alignment, reduce organizational risk, reduce inconsistency in business practices, improve operational efficiencies, reduce siloes, and enhance service accountability.

Due to the timing of the Shared Services project, I do not recommend immediate operational changes or adjusting resource needs in the current fiscal year. In response to the above cuts, the Finance Shared Services Team has incorporated Strategic Sourcing needs into its project scope and fully intends to build a centralized future state program to address the service goals and needs depicted above. We will provide the Board updates on progress as the Strategic Sourcing Program is developed within the Shared Services project.