

**HEALTH CARE FOR THE HOMELESS/FARMWORKER HEALTH PROGRAM (HCH/FH)
Finance Committee Meeting**

Fair Oaks Clinic | 2710 Middlefield Road 1st floor (Great Room), Redwood City
September 13, 2018, 8:00 A.M – 8:45 A.M.

AGENDA

- | | | | |
|-----------|-----------------------------------|--|----------------|
| A. | CALL TO ORDER | | 8:00 AM |
| B. | CHANGES TO ORDER OF AGENDA | | 8:01 AM |
| C. | PUBLIC COMMENT | | 8:03 AM |

Persons wishing to address on matters NOT on the posted agenda may do so. Each speaker is limited to three minutes and the total time allocated to Public Comment is fifteen minutes. If there are more than five individuals wishing to speak during Public Comment, the Chairperson may choose to draw only five speaker cards from those submitted and defer the rest of the speakers to a second Public Comment at the end of the Board meeting. In response to comments on a non-agenda item, the Board may briefly respond to statements made or questions posed as allowed by the Brown Act (Government Code Section 54954.2) However, the Boards general policy is to refer items to staff for comprehensive action or report.

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|-----------|--|---------|----------------------|
| D. | CONSENT AGENDA | | |
| | 1. Meeting minutes from August 9, 2018 | Elli Lo | TAB 1 8:08 AM |

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|-----------|--|--------------|----------------------|
| E. | REPORTING AGENDA: | | |
| | 1. Review of Budget & Finance Report through August 2018 | Jim Beaumont | TAB 2 8:10 AM |
| | 2. Contract Spend Down after July 2018 | Elli Lo | TAB 3 8:20 AM |
| | 3. Discussion on Small Funding Request & Other Spend Down Projects | Elli Lo | TAB 4 8:30 AM |

BOARD COMMUNICATIONS AND ANNOUNCEMENTS

Communications and Announcements are brief items from members of the Board regarding upcoming events in the community and correspondence that they have received. They are informational in nature and no action will be taken on these items at this meeting. A total of five minutes is allotted to this item. If there are additional communications and announcements, the Chairperson may choose to defer them to a second agenda item added at the end of the Board Meeting.

OTHER ITEMS

1. Future meetings – every 2nd Thursday of the month (unless otherwise stated)
Next Regular Meeting October 11, 2018; 8:00 A.M. – 8:45 A.M. | San Mateo Medical Center – San Mateo

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|-----------|--------------------|--|----------------|
| H. | ADJOURNMENT | | 8:45 AM |
|-----------|--------------------|--|----------------|
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TAB 1
Meeting Minutes

Request to Approve
(Consent Agenda)

**Healthcare for the Homeless/Farmworker Health Program (Program)
Co-Applicant Board Meeting Minutes (Aug 9, 2018)
San Mateo Vendome Hotel | 415 2nd Ave. San Mateo**

Co-Applicant Board Members Present

Christian Hansen
Robert Anderson

County Staff Present

Jim Beaumont
Elli Lo
Irene Seliverstov

Members of the Public

ITEM	DISCUSSION/RECOMMENDATION	ACTION
Call To Order	Meeting was called to order at _8:00__A.M.	
Regular Agenda Public Comment	No Public Comment at this meeting.	
Regular Agenda: Consent Agenda	All items on Consent Agenda (meeting minutes from May 10, 2017) were approved.	Consent Agenda was <u>MOVED</u> by Robert <u>SECONDED</u> by Christian, and <u>APPROVED</u> by all Board members present.
Reporting Agenda: Review of Budget & Finance Report through July	<p>Jim provided an overview of budget and finance report through July 2018. Preliminary grant expenditures through July 31, 2018, total an estimated \$1,418,032. This will increase slightly as the County processes month-end transactions, but we have included known contractual expenditures (even if they are not yet reflected as an expenditure by the county), and an estimate of routine county monthly charges.</p> <p>Currently, contracts and MOUs are expending at a rate to reach the high 80%-low 90% utilization. Salaries & Benefits are estimated to be expended at a 96% utilization rate, with other expenditures also expected to hit the mid-90% utilization rate. At present, we project to expend 90% of our total grant, with unexpended funds projected to be around \$290,000. A majority of the unexpended funds is due to delays in AIMS effort.</p>	
Reporting Agenda: Contract Spend Down after Quarter 2	Per the Board's request, contract spend down data after quarter 2 was presented. Most of the contracts and MOUs appear to be expending at a rate to reach the high 80%-low 90% utilization. However, BHRS and LifeMoves agreements seem to be expected to be underspending as they are both under 50%. BHRS submitted a MOU amendment request and the amendment was approved by the Board in June. Robert has concerns about LifeMoves management team is unaware of progress and suggested that staff to start conversations with LifeMoves, involving Brian Greenberg, about their progress and underspending. Committee members requested to have this detailed data from January to July at the next Finance Committee meeting.	
Adjournment	Time _8:45__ A.M.	

TAB 2
Budget &
Finance Report

DATE: September 13, 2018

TO: Co-Applicant Board, San Mateo County Health Care for the Homeless/Farmworker Health (HCH/FH) Program

FROM: Jim Beaumont
Director, HCH/FH Program

SUBJECT: HCH/FH PROGRAM BUDGET and FINANCIAL REPORT

Preliminary grant expenditures through August 31, 2018, total an estimated \$1,631,133. This will increase slightly as the County processes month-end transactions, but we have included known contractual expenditures (even if they are not yet reflected as an expenditure by the county), and an estimate of routine county monthly charges.

At this point it has become clear that there will be an unexpended funds balance between \$200,000 and \$300,000, likely toward the higher end of that range. This represents 7-11% of the grant. Administrative expenses, including salaries & benefits, will fully expend their budgeted amounts in aggregate. However, our contractual obligations have an overall utilization rate in the low 80% for the year. While 2018 contracts are performing better with utilization rates averaging in the low 90%, the final month(s) of 2017 – paid under the 2018 grant – had very low expenditures. But even with a utilization rate in the low 90%, contractual obligations will account for more than half of the unexpended funds. The remainder is largely accounted for by the still-pending AIMS grant effort.

As the Board considers opportunities and alternatives for possible expenditures to reduce the unexpended funds balance, consideration could be given to working on an arrangement with the county and Health IT to fund a portion of the upcoming Case Management System. Unless there is Board objection, Program will pursue this potential strategy as an option for utilization of unexpended funds, and report back to the Board on its potential at a future meeting.

Attachment:

- Preliminary GY 2018 Summary Report

GRANT YEAR 2018

Details for budget estimates	Budget [SF-424]	To Date (08/31/18)	Projection for GY (+~17 wks)	Projected for GY 2019
<u>Salaries</u>				
Director				
Program Coordinator				
Medical Director				
Management Analyst new position, misc. OT, other, etc.				
	540,000	292,541	502,200	598,000
<u>Benefits</u>				
Director				
Program Coordinator				
Medical Director				
Management Analyst new position, misc. OT, other, etc.				
	200,000	114,417	206,367	257,140
<u>Travel</u>				
National Conferences (2500*4)		5,213	7,500	15,000
Regional Conferences (1000*5)		2,340	5,000	5,000
Local Travel			1,500	1,000
Taxis		1,121	5,000	3,000
Van & vehicle usage		1,075	1,500	1,500
	25,000	9,749	20,500	25,500
<u>Supplies</u>				
Office Supplies, misc.	10,500	3,634	4,500	10,000
Small Funding Requests		25,370	50,000	20,000
	10,500	29,004	54,500	30,000
<u>Contractual</u>				
2017 Contracts		34,825	34,825	
2017 MOUs		14,900	14,900	
Current 2018 contracts	967,030	592,586	794,225	870,000
Current 2018 MOUs	872,000	517,900	768,550	820,000
---unallocated---/other contracts	118,073		25,000	175,000
	1,957,103	1,160,211	1,637,500	1,865,000
<u>Other</u>				
Consultants/grant writer	31,667	13,575	40,000	30,000
IT/Telcom	5,930	7,630	11,000	6,000
New Automation			0	-
Memberships	4,000	2,000	4,000	2,000
Training			3,250	3,000
Misc (food, etc.)	5,500	2,006	5,500	4,000
	47,097	25,211	63,750	45,000
TOTALS - Base Grant	2,779,700	1,631,133	2,484,817	2,820,640
HCH/FH PROGRAM TOTAL	2,779,700	1,631,133	2,484,817	2,820,640
PROJECTED AVAILABLE	BASE GRANT		294,883	1,792
				based on est. grant of \$2,822,432

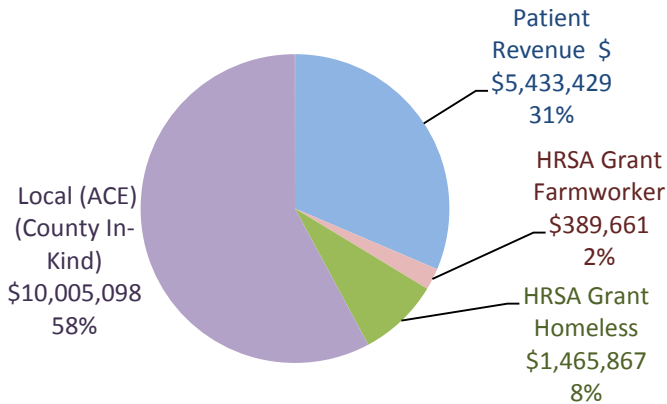
reporting_year	line_no	line_desc	accrued_cost	allocation_of_fac_cost	accrued_and_allocated_fac_cost	allocation_non_clin_supp_serv	allocation_fac_and_non_clin_supp_serv
2018	01	Medical Staff	3146651	146011.02	3292662.02	2102240.34	5394902.36
2018	02	Lab and X-ray	445824.14	38840.42	484664.56	309440.02	794104.58
2018	03	Medical/Other Direct	1055887.92		1055887.92	674144.56	1730032.48
2018	05	Dental	182451.17		182451.17	116488.18	298939.35
2018	06	Mental Health	1648792.79		1648792.79	1052691.92	2701484.71
2018	07	Sustance Abuse					
2018	08a	Pharmacy not including pharmaceuticals	426913.51	13385	440298.51	281113.97	721412.48
2018	08b	Pharmaceuticals	71652.97		71652.97	45747.72	117400.69
2018	09	Other Professional	46545.45	20515.46	67060.91	42815.86	109876.77
2018	09a	Vision	55854.53		55854.53	35661.01	91515.54
2018	11a	Case Management					
2018	11b	Transportation					
2018	11c	Outreach					
2018	11d	Patient and Community Education					
2018	11e	Eligibility Assistance					
2018	11f	Interpretation Services					
2018	11g	Other Enabling Services					
2018	12	Other Related Services					
2018	14	Facility	707527.41				
2018	15	Non Clinical Support Services	4660343.57				
2018	18	Value of Donated Facilities, Services, and Supplies					
			12,448,444.46				

Year	Line	Payor_Category	Allowance	Amount Collected	Bad Debt Write Off	Collection of Reconciliation/ Wrap Around Current Year	Full Charges
2018							3694.88
2018	01	Medicaid Non-Managed Care	531640.20	661795.72		608270.35	1133797.85
2018	02a	Medicaid Managed Care (capitated)	3383955.60	1290911.56	427.00	663514.60	4421379.16
2018	04	Medicare Non-Managed Care	460207.43	502460.00	2820.05	100007.99	999765.67
2018	05b	Medicare Managed Care (fee-for-service)	428912.68	590503.89		131717.78	1039256.39
2018	07	Other Public including Non-Medicaid CHIP (Non Managed Care)	100019.37	14200.69			164367.44
2018	10	Private Non-Managed Care	3517.45	2945.16		-1.28	3261.00
2018	11a	Private Managed Care (capitated)	1889.21	345.79			359.00
2018	13	Self Pay	1493337.45	21115.79	25660.83	1061.31	1592302.61
			6,403,479.39	3,084,278.60	28,907.88	1,504,570.75	9,354,489.12

**HCH/FH Co-Applicant Board Finance Committee
Financial Summary as of 9/5/2018**

Program Budget 2017

Program Budget 2017



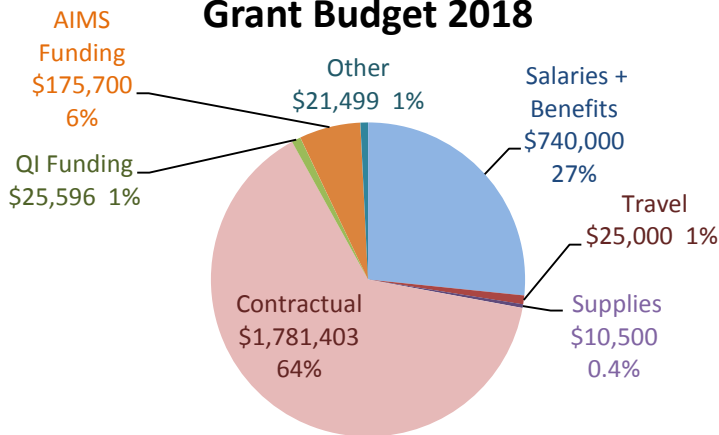
Revenue	Amount	% of Total
Patient Revenue	\$ 5,433,429	31%
HRSA Grant - Farmworker	\$ 389,661	2%
HRSA Grant - Homeless	\$ 1,465,867	8%
Local (ACE) (County In-kind)	\$ 10,005,098	58%
Total Revenue	\$ 17,294,055	

*HRSA Grant Total Claimed \$ 1,855,528

Source: Uniform Data System (UDS) Report 2017 First Submission

Grant Budget 2018

Grant Budget 2018



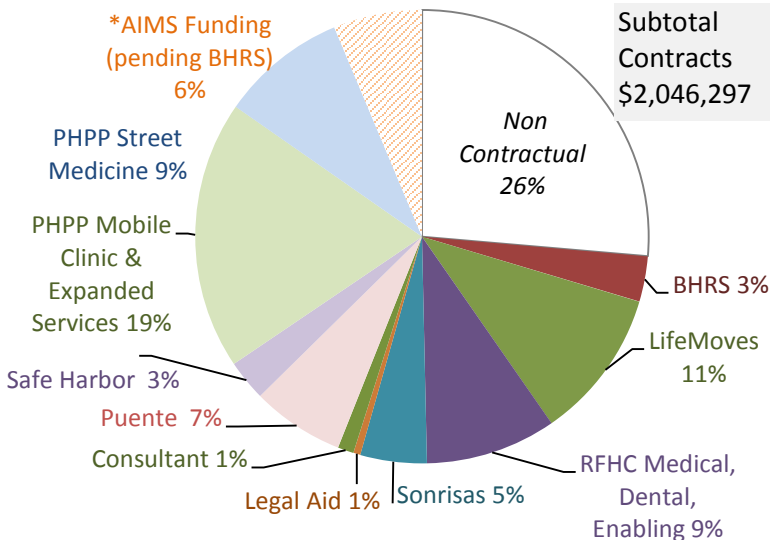
	Total	% of Total
Salaries + Benefits	\$ 740,000	27%
Travel	\$ 25,000	1%
Supplies	\$ 10,500	0.4%
Contractual	\$ 1,781,403	64%
QI Funding	\$ 25,596	1%
AIMS Funding	\$ 175,700	6%
Other	\$ 21,499	1%
Total	\$ 2,779,698	

Source: Budget Period Progress Report (BPR) Noncompeting Continuation (NCC) 2017

*Note: Budget revisions within and between approved budget categories up to 25 percent without prior approval

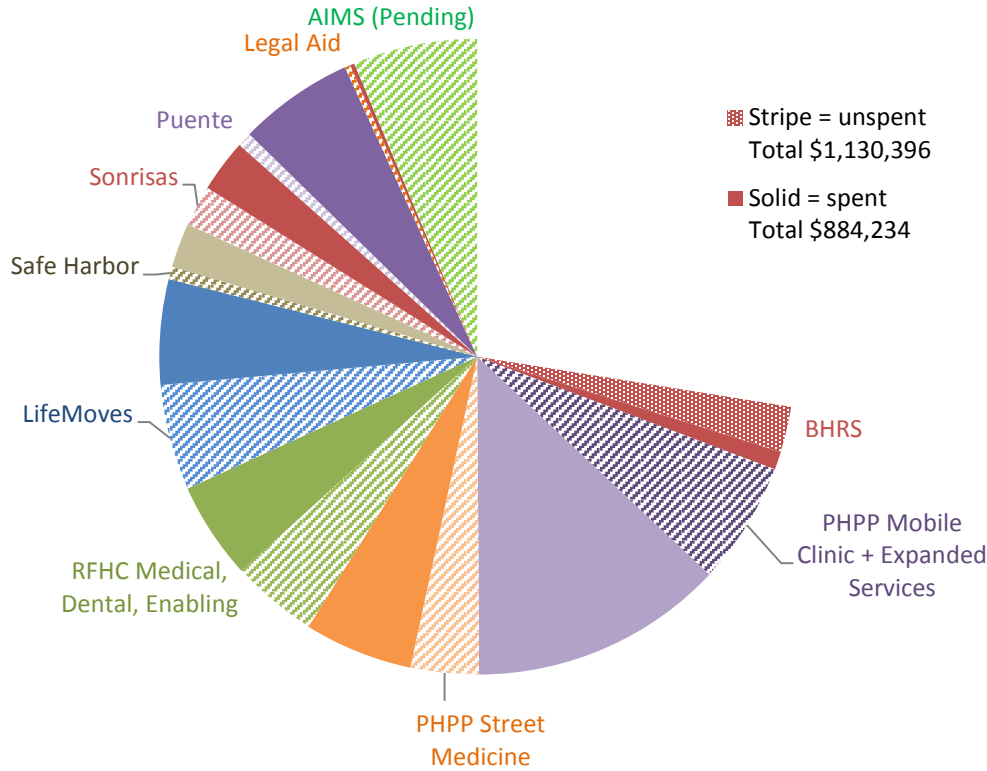
Grant Budget – Contractual 2018 (as of 9/5/2018)

Grant Budget - Contractual 2018



	Total	% of Total Grant
BHRHS	\$ 90,000	3%
LifeMoves	\$ 298,030	11%
RFHC Medical, Dental, Enabling	\$ 258,725	9%
Sonrisas	\$ 131,675	5%
Legal Aid	\$ 14,000	1%
Puente	\$ 183,500	7%
Safe Harbor (pending)	\$ 81,000	3%
PHPP Mobile Clinic + ES	\$ 532,250	19%
PHPP Street Medicine	\$ 249,750	9%
*AIMS Funding (pending BHRHS)	\$ 175,700	6%
Admin - Consultant	\$ 31,667	1%
Subtotal Contracts	\$ 2,046,297	74%
Non Contractual (Salaries, Benefits, Travel, Supplies, QI Award & Other)	\$ 733,401	26%
Total Grant	\$2,779,698	

Expenditure YTD - Services Contract 2018 as of 9/7/2018



Invoices from January to July 2018

	Total Award	Spent		Unspent	
		\$	%	\$	%
BHRS	\$ 90,000	\$ 25,600	28%	\$ 64,400	72%
PHPP Mobile Clinic & Expanded Services	\$ 532,250	\$ 358,750	67%	\$ 173,500	33%
PHPP Street Medicine	\$ 249,750	\$ 153,550	61%	\$ 96,200	39%
RFHC Medical, Dental, Enabling	\$ 258,725	\$ 137,081	53%	\$ 121,644	47%
LifeMoves	\$ 298,030	\$ 148,760	50%	\$ 149,270	50%
Safe Harbor	\$ 81,000	\$ 63,080	78%	\$ 17,920	22%
Sonrisas	\$ 131,675	\$ 74,425	57%	\$ 57,250	43%
Puente	\$ 183,500	\$ 163,150	89%	\$ 20,350	11%
Legal Aid	\$ 14,000	\$ 6,000	43%	\$ 8,000	57%
*AIMS (Pending)	\$ 175,700	\$ -	0%	\$ 175,700	100%
Total YTD	\$2,014,630	\$1,130,396	56%	\$ 884,234	44%

TAB 3
Discussion on Contract
Spend Down Data
2015 to July 2018

HCH/FH Contractor Spend Down
2015 to July 2018

BHRS	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%		
Q1	\$90,000	\$ 23,700	26%	\$66,300	74%	\$90,000	\$ 24,000	27%	\$ 66,000	73%	\$97,500	\$ 21,450	22%	\$ 76,050	78%	\$90,000	\$ 13,500	15%	\$ 76,500	85%
Q2		\$ 39,000	43%	\$51,000	57%		\$ 37,800	42%	\$ 52,200	58%		\$ 32,500	33%	\$ 65,000	67%		\$ 21,100	23%	\$ 68,900	77%
Q3		\$ 52,200	58%	\$37,800	42%		\$ 48,900	54%	\$ 41,100	46%		\$ 45,500	47%	\$ 52,000	53%		\$ 25,600	28%	\$ 64,400	72%
Q4		\$ 62,400	69%	\$27,600	31%		\$ 56,100	62%	\$ 33,900	38%		\$ 52,650	54%	\$ 44,850	46%					

PHPP Mobile Clinic	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%
Q1	\$240,000	\$ 71,808	30%	\$168,192	70%	\$277,500	\$ 70,350	25%	\$ 207,150	75%	\$312,000	\$ 83,250	27%	\$ 228,750	73%	Two agreements combined into one in 2018				
Q2		\$ 128,256	53%	\$111,744	47%		\$ 124,950	45%	\$ 152,550	55%		\$ 148,725	48%	\$ 163,275	52%	Total Award	Spent		Unspent	
Q3		\$ 183,168	76%	\$56,832	24%		\$ 184,800	67%	\$ 92,700	33%		\$ 202,050	65%	\$ 109,950	35%		\$	\$	\$	%
Q4		\$ 231,360	96%	\$8,640	4%		\$ 235,830	85%	\$ 41,670	15%		\$ 240,731	77%	\$ 71,269	23%		\$	\$	\$	%

PHPP Mobile Clinic - Expanded Services	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%
Q1	\$178,500	\$ 47,550	27%	\$130,950	73%	\$178,500	\$ 38,150	21%	\$ 140,350	79%	\$183,600	\$ 56,700	31%	\$ 126,900	69%	\$532,250	\$ 157,670	30%	\$ 374,580	70%
Q2		\$ 77,500	43%	\$101,000	57%		\$ 68,200	38%	\$ 110,300	62%		\$ 100,575	55%	\$ 83,025	45%		\$ 295,810	56%	\$ 236,440	44%
Q3		\$ 98,650	55%	\$79,850	45%		\$ 90,600	51%	\$ 87,900	49%		\$ 130,950	71%	\$ 52,650	29%		\$ 358,750	67%	\$ 173,500	33%
Q4		\$ 112,700	63%	\$65,800	37%		\$ 93,500	52%	\$ 85,000	48%		\$ 144,450	79%	\$ 39,150	21%					

PHPP Mobile Clinic - Street Medicine	2016					2017					2018 January-July								
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent					
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%				
Q1	\$218,750	\$ 94,500	43%	\$ 124,250	57%	\$218,750	\$ 89,250	41%	\$ 129,500	59%	\$249,750	\$ 72,150	29%	\$ 177,600	71%				
Q2		\$ 152,250	70%	\$ 66,500	30%		\$ 159,250	73%	\$ 59,500	27%		\$ 138,750	56%	\$ 111,000	44%				
Q3		\$ 218,750	100%	\$ -	0%		\$ 208,250	95%	\$ 10,500	5%		\$ 153,550	61%	\$ 96,200	39%				
Q4		\$ 218,750	100%	\$ -	0%		\$ 218,750	100%	\$ -	0%									

RFHC Medical	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%
Q1	\$65,000	\$ 28,470	44%	\$36,530	56%	\$90,000	\$ 40,200	45%	\$ 49,800	55%	\$96,000	\$ 47,840	50%	\$ 48,160	50%	\$107,100	\$ 36,720	34%	\$ 70,380	66%
Q2		\$ 41,340	64%	\$23,660	36%		\$ 63,000	70%	\$ 27,000	30%		\$ 72,800	76%	\$ 23,200	24%		\$ 53,244	50%	\$ 53,856	50%
Q3		\$ 50,700	78%	\$14,300	22%		\$ 82,350	92%	\$ 7,650	9%		\$ 89,280	93%	\$ 6,720	7%		\$ 58,905	55%	\$ 48,195	45%
Q4		\$ 65,000	100%	\$0	0%		\$ 90,000	100%	\$ -	0%		\$ 96,000	100%	\$ -	0%					

*Note: YTD Spend down till July 2018 data is located on third row under 2018

HCH/FH Contractor Spend Down
2015 to July 2018

RFHC Dental	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%		
Q1	\$50,000	\$ 31,204	62%	\$18,796	38%	\$50,000	\$ 19,000	38%	\$ 31,000	62%	\$52,000	\$ 31,200	60%	\$ 20,800	40%	\$54,725	\$ 18,308	33%	\$ 36,417	67%
Q2		\$ 47,368	95%	\$2,632	5%		\$ 35,250	71%	\$ 14,750	30%		\$ 47,320	91%	\$ 4,680	9%		\$ 27,462	50%	\$ 27,263	50%
Q3		\$ 50,000	100%	\$0	0%		\$ 50,000	100%	\$ -	0%		\$ 52,000	100%	\$ -	0%		\$ 30,646	56%	\$ 24,079	44%
Q4		\$ 50,000	100%	\$0	0%		\$ 50,000	100%	\$ -	0%		\$ 52,000	100%	\$ -	0%					

RFHC Enabling	2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%
Q1	\$82,000	\$ 34,030	42%	\$47,970	59%	\$82,000	\$ 35,055	43%	\$ 46,945	57%	\$97,000	\$ 29,488	30%	\$ 67,512	70%
Q2		\$ 62,115	76%	\$19,885	24%		\$ 66,830	82%	\$ 15,170	19%		\$ 44,426	46%	\$ 52,574	54%
Q3		\$ 82,000	100%	\$0	0%		\$ 82,000	100%	\$ -	0%		\$ 47,530	49%	\$ 49,470	51%
Q4		\$ 82,000	100%	\$0	0%		\$ 82,000	100%	\$ -	0%					

LifeMoves - Care Coordination/SSI/Hi	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%		
Q1	\$147,500	\$ 38,095	26%	\$109,405	74%	\$169,000	\$ 53,300	32%	\$ 115,700	68%	\$179,150	\$ 43,590	24%	\$ 135,560	76%	\$298,030	Two agreements combined into one in 2018			
Q2		\$ 76,910	52%	\$70,590	48%		\$ 91,850	54%	\$ 77,150	46%		\$ 76,320	43%	\$ 102,830	57%		\$ 53,100	18%	\$ 244,930	82%
Q3		\$ 106,230	72%	\$41,270	28%		\$ 127,200	75%	\$ 41,800	25%		\$ 110,950	62%	\$ 68,200	38%		\$ 119,485	40%	\$ 178,545	60%
Q4		\$ 137,340	93%	\$10,160	7%		\$ 158,650	94%	\$ 10,350	6%		\$ 151,580	85%	\$ 27,570	15%		\$ 148,760	50%	\$ 149,270	50%

LifeMoves - CHOW (St. Medicine)	2016					2017				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%
Q1	\$82,560	\$ -	0%	\$ -	0%	\$82,560	\$ 15,480	19%	\$ 67,080	81%
Q2		\$ 5,676	7%	\$ 76,884	93%		\$ 29,928	36%	\$ 52,632	64%
Q3		\$ 20,640	25%	\$ 61,920	75%		\$ 45,408	55%	\$ 37,152	45%
Q4		\$ 33,024	40%	\$ 49,536	60%		\$ 79,980	97%	\$ 2,580	3%

Puente	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%		
Q1	\$75,500	\$ 27,705	37%	\$47,795	63%	\$111,300	\$ 29,100	26%	\$ 82,200	74%	\$118,050	\$ 35,285	30%	\$ 82,765	70%	\$183,500	\$ 89,700	49%	\$ 93,800	51%
Q2		\$ 50,455	67%	\$25,045	33%		\$ 56,060	50%	\$ 55,240	50%		\$ 72,315	61%	\$ 45,735	39%		\$ 139,550	76%	\$ 43,950	24%
Q3		\$ 57,645	76%	\$17,855	24%		\$ 78,700	71%	\$ 32,600	29%		\$ 82,670	70%	\$ 35,380	30%		\$ 163,150	89%	\$ 20,350	11%
Q4		\$ 75,500	100%	\$0	0%		\$ 102,160	92%	\$ 9,140	8%		\$ 90,445	77%	\$ 27,605	23%					

*Note: YTD Spend down till July 2018 data is located on third row under 2018

HCH/FH Contractor Spend Down
2015 to July 2018

Safe Harbor	2015					2016					2017					2018 January-July				
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%		
Q1	\$55,000	\$ 14,808	27%	\$40,192	73%	\$63,500	\$ 19,320	30%	\$ 44,180	70%	\$63,500	\$ 29,520	46%	\$ 33,980	54%	\$81,000	\$ 34,960	43%	\$ 46,040	57%
Q2		\$ 30,194	55%	\$24,806	45%		\$ 34,780	55%	\$ 28,720	45%		\$ 55,160	87%	\$ 8,340	13%		\$ 57,000	70%	\$ 24,000	30%
Q3		\$ 46,522	85%	\$8,478	15%		\$ 56,840	90%	\$ 6,660	10%		\$ 55,500	87%	\$ 8,000	13%		\$ 63,080	78%	\$ 17,920	22%
Q4		\$ 55,000	100%	\$0	0%		\$ 60,560	95%	\$ 2,940	5%		\$ 55,500	87%	\$ 8,000	13%					

Sonrisas	2015-2016					2017					2018 January-July									
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent	
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%		\$	%		
Q1	\$31,250	\$ -	0%	\$31,250	100%	\$25,625	\$ -	0%	\$ 25,625	100%	\$89,125	\$ 6,200	7%	\$ 82,925	93%	\$131,675	\$ 49,235	37%	\$ 82,440	63%
Q2		\$ -	0%	\$31,250	100%		\$ 7,500	29%	\$ 18,125	71%		\$ 32,550	37%	\$ 56,575	63%		\$ 69,845	53%	\$ 61,830	47%
Q3		\$ -	0%	\$31,250	100%		\$ 18,750	73%	\$ 6,875	27%		\$ 37,200	42%	\$ 51,925	58%		\$ 74,425	57%	\$ 57,250	43%
Q4		\$ 5,625	18%	\$25,625	82%		\$ 25,625	100%	\$ -	0%		\$ 43,400	49%	\$ 45,725	51%					

Legal Aid	2016					2017					2018 January-July								
	Total Award	Spent		Unspent		Total Award	Spent		Unspent		Total Award	Spent		Unspent					
		\$	%	\$	%		\$	%	\$	%		\$	%	\$	%				
Q1	\$67,100	\$ -	0%	\$67,100	100%	\$42,500	\$ 11,700	28%	\$ 30,800	37%	\$14,000	\$ 6,000	43%	\$ 8,000	57%				
Q2		\$ 2,500	4%	\$ 64,600	96%		\$ 11,700	28%	\$ 30,800	37%									
Q3		\$ 17,200	26%	\$ 49,900	74%		\$ 13,375	31%	\$ 29,125	35%									
Q4		\$ 31,975	48%	\$ 35,125	52%		\$ 13,375	31%	\$ 29,125	35%									

*Note: YTD Spend down till July 2018 data is located on third row under 2018

TAB 4
**Discussion on Small
Funding Request &
Other Spend Down
Projects**

SAN MATEO COUNTY

HEALTHCARE FOR THE HOMELESS/FARMWORKER HEALTH PROGRAM

Program Policy

Policy Area: Fiscal	Effective Date: 06/09/2016
Subject: Small Funding Requests	Approved Date: Revision Date: 06/09/2016
Title of Policy: HCH/FH Program Policy on Small Funding Requests	Approved by: Co-Applicant Board

1. Rationale or background to policy:

It has been found that various partner programs have occasion to identify funding needs that are unanticipated or do not conform to a typical Request for Proposal, but are of expected benefit to the health of the homeless or farmworker populations.

In addition, the HCH/FH Program has regularly found itself with available funds as the end of the grant year approached. In the past, the HCH/FH Program, under the direction of the Co-Applicant Board, has sought out one-time small scale projects that would be of benefit to the homeless or farmworker populations to expend some of this funding availability.

Rather than need to address either of the above situations on a unique basis, this policy is intended to provide the policy and authority for the HCH/FH Program to make such funding determinations.

2. Policy Statement:

The HCH/FH Co-Applicant Board hereby authorizes the HCH/FH Program to make funding decisions on small, non-direct service funding requests as herein specified and allowed.

For purposes of expending available grant funding within the grant year, the HCH/FH Program is authorized to solicit non-direct service, one-time funding requests as it deems necessary, and to otherwise have the authority to approve such requests as it sees fit in accordance with these policies.

For purposes of effective and efficient administration of the program, and to enhance the health status of the homeless and/or farmworker populations, the HCH/FH Program is hereby authorized to consider non-direct service funding requests received throughout the year, and to otherwise have the authority to approve such requests as it sees fit in accordance with these policies.

To be considered under either of the above scenarios, the funding request must be:

- for no more than \$25,000
- benefit the health of the homeless and/or farmworker population, or otherwise improve their health status or reduce future health risks
- must conform to applicable Federal requirements and restrictions
- not be for the purchase of a capital asset
- have at least 10% financial support/match from the requesting entity
- provide any substantiating information on the benefits of the request as may be required by the HCH/FH Program
- provide any and all documentation as requested from the HCH/FH Program for payment.

Note that overall project or proposal efforts may be for more than \$25,000, but the requesting agency would need to support ALL of the costs greater than \$25,000, over and above the 10% minimum cash support.

Note that non-direct service is defined to exclude direct, personal services, such as any clinical service, or individualized enabling service.

3. Procedures:

The HCH/FH Program shall establish procedures for receiving, reviewing and making funding determinations on small funding requests as described in the above policy. Such procedures may include such items as limitations on multiple requests, format of requests, time frames for responding, etc.

Reporting. The Program shall report each approved small funding request to the Co-Applicant Board at the next possible meeting of the Board. Additionally, every six months the Program shall provide to the Board a summary of the status of the small funding requests from the prior 6-12 months.

Approved _____

Board Chair

Program Director

**Unexpended Funds Committee
Discussion 12/14/2017**

Strategy	Description	Timeline
Small Grant Applications <\$25,000	Examples: Consultants, Evidence-Based Practice (EBP) projects	Q2, Q3
Modify Contracts after quarter 2	Increase/decrease contract amount base on their progress (unduplicated patients), so funding can be re-allocated For increase request, agencies need to submit expense justification on additional cost of services for additional patients	After Q2
Small Capital Purchases		Q3
Communication with Contractors	Unduplicated patients, visits and progress on funding spent report currently being provided in Provider Collaborative meetings with contractors quarterly Need additional communications with contractors – <ul style="list-style-type: none"> • Include agencies' upper management or appropriate contact • More communication on these progress to date reports • Also regarding contract modification increase or decrease 	
Marketing	Current marketing contacts: CoC Steering Committee, current contractors, QI group, Provider Collaborative group, Small Funding Request contacts, CORE service agencies, DOH, COH, SMMC Clinic Managers, WPC, Directors of all Health System Departments/Divisions Marketing funding opportunities to other contacts	



ADMINISTRATIVE MEMORANDUM
COUNTY OF SAN MATEO

NUMBER: B-1

SUBJECT: Soliciting, Selecting, and Developing Agreements with Providers of Goods and Services

RESPONSIBLE DEPARTMENT: Human Resources Department, Procurement Division

APPROVED: _____

John L. Maltbie, County Manager

DATE:

11.29.17

I. PURPOSE

This Administrative Memorandum rescinds and replaces Administrative Memorandum B-1 dated April 27, 2015. The revisions incorporate recent changes to the San Mateo County Code of Ordinances and also update and clarify County-wide procurement and contracting standards. Primary modifications include: defining procurement methodologies; eliminating requirements for evaluative procurements if price-based bid requests can be used; establishing certain categorical exemptions from competitive procurement requirements; providing guidance regarding emergency procurement and approval authority; clarifying the role of the County Procurement Manager; providing for the establishment of County-wide procurement procedures; and bringing County procurement into alignment with public sector best practices and current California legal requirements.

For requirements regarding contracts for construction and public works, see Administrative Memorandum B-21, "Selection of Construction Contractors."

II. GENERAL PROVISIONS FOR ALL SOLICITATIONS

The goals of the County's procurement policies are to deploy the County's resources wisely, to obtain the best quality products and services, and to maintain the public trust by conducting County business with integrity, fairness, and transparency.

A. Competitive Solicitations

Competitive procurement is the County's preferred method of procurement unless competition is infeasible due to an emergency, restricted availability of goods or services, or other extenuating circumstances that justify waivers of competitive requirements as described in this Administrative Memorandum.

B. Competitive Solicitation Types

Pursuant to a competitive solicitation, contracts may be awarded based on price alone or on price and other relevant factors, which taken together are deemed to provide the best overall value to the County.

C. Solicitation Process

1. Departments are required to follow contract solicitation procedures that have been ratified by the Procurement Manager and distributed by the Contract Compliance Committee to promote the goals of the County's procurement policies and to ensure compliance with applicable laws and regulations, unless superseded by requirements of the Public Contract Code or other applicable law or regulation.
2. Procurements exceeding \$100,000 may not be split into several smaller solicitations to circumvent procurement requirements.
3. Where possible, efforts should be made to solicit proposals from small businesses, and women and/or minority-owned businesses.
4. Prior to and during the procurement process, no party competing for or expected to compete for award of a contract may be provided information that is not provided to other competing parties.
5. No party, nor any spouse, relative, affiliate, or subsidiary of the party, may submit a bid or proposal or be awarded a contract if they have assisted in the development and management of procurement documents, or have provided plans, specifications, designs, evaluation criteria, or have otherwise influenced factors that may affect the County's selection of a contractor.

D. Coordination and Compliance with Other County Departments

1. In the event the Information Services Department (ISD) establishes standards and specifications for technology-related goods and services, departments are responsible for verifying that their solicitations conform to such standards and specifications, or alternatively, that the solicitations have been reviewed by ISD prior to release.
2. Departments are responsible for obtaining modifications and waivers of insurance requirements from the County's Risk Management division.
3. Projects involving work on real property must be reviewed by Real Property Services if the property is leased, or the Department of Public works if property is owned.

E. Minimum Content for all Solicitations

All solicitations, regardless of value, subject matter, or type of procurement, must include all information necessary to enable interested parties to describe how they would provide the requested goods and services and propose a price. In addition, at a minimum, solicitations over \$5000 must include:

1. The County's objectives in issuing the solicitation.
2. A description of expected tasks and deliverables.
3. An estimated budget or budget range.

4. All relevant information known to the County that would reasonably be considered likely to affect the contractor's performance or price.
5. A description of the process and timeline for reviewing responses and awarding a contract.
6. All criteria other than price that will be considered in awarding a contract. Criteria not stated in the solicitation may not be considered. If an award will be based on best value rather than lowest price, the solicitation must describe the method by which offers will be evaluated.
7. A pricing form or clear instructions on how pricing information is to be provided, so that competing offers may be easily compared.

F. Solicitations for Contracts Expected to be \$100,000 or Less

1. An informal solicitation may be conducted for goods and services expected to cost \$100,000 or less. "Informal solicitation" means a solicitation that does not require public notice or sealed responses but that may be conducted by requesting prices or proposals via e-mail.
2. Informal solicitations must be sent to a sufficient number of potential providers to ensure that at least three quotes or proposals are received, unless a waiver of competitive requirements is otherwise permitted as described in this memorandum. If three quotes or proposals are not received, the solicitation record must detail the efforts made to obtain at least three. Alternatively, solicitations may be publicized by posting on the website designated for publicizing County contracting opportunities, which will satisfy the requirement to obtain three quotes. Prior to the due date and time for response submission, proposals or quotes from a responding party may not be shared with other competing parties.

G. Solicitations for Contracts Expected to Exceed \$100,000

1. Unless a waiver of competitive requirements is allowed as described in this memorandum, if a contract is expected to exceed \$100,000, a formal solicitation must be issued. "Formal solicitation" means a solicitation that is publicly advertised and requires sealed responses. Formal solicitations must use standard County templates.
2. Formal solicitations include price-based procurements, such as Invitations for Bids (IFBs), and best-value procurements, such as Requests for Proposals (RFPs).
3. RFPs for contracts expected to exceed \$500,000 must be reviewed by County Counsel prior to release. RFPs for contracts expected to be \$500,000 or less may be sent for County Counsel review at the department's discretion or the request of County Counsel.
4. In addition to the minimum content for all solicitations described in this memorandum, formal solicitations must also include:
 - i. A statement regarding the County's right to reject all submissions and not to enter into any contract.
 - ii. A statement that the submissions are public records, and a description of the process that will be followed if copies are requested as public records.
 - iii. The method by which protests may be filed regarding the solicitation.

- iv. A complete scope of work, describing the County's business, functional, and technical requirements.
- v. A form, sheet, or matrix for pricing to ensure that all interested parties are proposing prices in the same manner.
- vi. Outcome or performance measures that will be used to evaluate a contractor's performance.
- vii. If an award will be based on best value, all relevant factors that will be considered in making the award and the relative importance of each. Relative importance may be indicated by assigning values or "weights" to the chosen factors. The factors must include:
 - Experience of either the firm or the staff to be assigned to the project, or both, and a description of their experience with similar projects;
 - The proposed methodology for meeting the County's needs, and if appropriate, the work plan and timeline for completing tasks and providing deliverables; and
 - Price, which must be worth at least 25% of the overall evaluation.

H. Approval and Award

1. Contracts may only be awarded to "responsive" and "responsible" contractors as those terms are defined below:
 - i. Bids or proposals are responsive if they meet requirements of the solicitation documents and comply with instructions and procedures set forth in the documents. Minor irregularities may be waived if they cannot have affected the outcome of the solicitation.
 - ii. Bidders or proposers are responsible if they are trustworthy and possess the skills, resources, fitness, capacity, and experience to satisfactorily perform, and have not been barred from government contracts for prior misconduct.
2. Price-based solicitations of any amount must be awarded to the responsive and responsible bidder offering the lowest price.
3. Contracts for \$100,000 or less must be approved and signed by the Department Head or designee of the department conducting the procurement, or by the Procurement Manager if the solicitation was conducted by the Procurement division, and if the standard County contract is modified or not used, by the County Counsel's Office.
4. Contracts exceeding \$100,000
 - i. Must include one or two quality or outcome performance measures in the cover memorandum submitted to the Board of Supervisors as well as a statement that the department conducting the procurement has verified the price as fair and reasonable.
 - ii. If resulting from a best-value procurement, must be reviewed and approved by the County Counsel's Office prior to submission to the Clerk of the Board for Board of Supervisors approval.

- iii. If resulting from a price-based competition for services, must be submitted to the Board of Supervisors for approval.
5. Contract and solicitation documents will be reviewed periodically by the Procurement Manager or his/her designee, the Contract Compliance Committee, and the Controller's Office Internal Audit Division to insure compliance with the County's solicitation and contracting policies and procedures. Departments that fail to follow such policies and procedures, including record-keeping requirements, may be required to conduct their solicitations through the Procurement Division.

I. Tie Bids

In the case of tie bids, or in a best-value procurement, when the combination of price, quality, and terms are substantially equal, preference may be given to San Mateo County-based providers unless prohibited by applicable law or regulation. To qualify as a local business, the business must have a fixed location, not a post office box, within the geographical boundaries of San Mateo County. If no business is based in San Mateo County, ties may be broken by coin toss, witnessed by at least three people.

J. Procurement Record

Departments must maintain written records for each procurement, following procedures established by the Procurement Manager. The record must include a copy of the solicitation and all amendments issued, the name of the departmental individual responsible for the solicitation, all bids or proposals received, any modified or final offers, the reasons for final contract award, i.e. lowest price or other factors, verification that the price is fair and reasonable if award is not price-based, and any other documents required by County policy. In a best-value procurement, if the lowest-priced provider is not selected, the record must include specific reasons explaining how the County is better served by selection of the higher-priced provider.

III. GENERAL PROVISIONS FOR ALL CONTRACTS

A. Term of Contracts

1. The standard base period for County contracts is no more than three years. Contracts may include a provision allowing the County to exercise an option to extend the contract period for up to two years on agreed-upon terms set forth in the contract.
2. The County's Procurement Manager, or his/her designee, must approve all contracts with a base period exceeding three years, regardless of the total contract amount. However, no such approval is required in the following circumstances:
 - i. A contract for a specified project may have a term related to the time required to complete the project, which may be greater or less than three years and which must be stated in the contract.
 - ii. A contract for the maintenance and support of IT-related systems, applications, and other items that will become part of the County's IT infrastructure may exceed the standard three year base period. The contract term must be related to the expected useful life of the system, and should include maintenance and support unless those services may be purchased more economically separately.

B. Standard Contract Documents

1. Departments are required to use the standard County templates for all contracts regardless of dollar amount. County Counsel must approve all template modifications or substitutions and Risk Management must approve all modifications of liability and insurance requirements.
2. All contracts, including those for physicians and for Behavioral Health and Recovery Services, must include all of the following terms in sufficient detail to be understood by someone not affiliated with the department.
 - i. The names of parties to the contract
 - ii. The term of the contract
 - iii. The contract value, and if applicable, rates upon which payment will be based
 - iv. Payment process
 - v. Contract number that will be recorded in the County's accounting system
 - vi. A detailed scope of work that includes all tasks to be performed by each party
 - vii. For project-specific contracts, a description of deliverables and a schedule for project completion, including due dates of deliverables, or a description of how such a schedule will be developed. On-call or requirements type contracts provide this information and specific scopes of work in task orders or purchase orders.

C. Contract Amendments

The requirements described in this memorandum also apply to contract amendments. If an amendment causes a contract's total payment amount to exceed \$100,000, all requirements for contracts exceeding \$100,000, including the requirement for approval by the Board of Supervisors, must be met.

D. Contract Administration

The department that conducted the procurement or amendment is responsible for administration of the resulting contract or contract amendment, which includes taking all necessary actions to facilitate payment to the contractor, obtaining signed W-9 forms from new contractors, distributing executed copies of agreements to contractors and the Controller, monitoring contractor performance and payment, ensuring full compliance with the terms and conditions of the contract, and completing annual contract performance reviews.

E. Contracts Awarded by Other Entities

Subject to the approval of the Procurement Manager or his/her designee and compliance with applicable County requirements, contracts awarded by public agencies subject to a competitive process similar to the County of San Mateo's may be used, provided that the procurement has been or will be conducted in compliance with local law governing a public agency that is a party to the agreement, and the local law requires competitive procurement and public notice of the procurement.

IV. WAIVERS OF COMPETITIVE REQUIREMENTS

A. Emergencies

1. An emergency is defined as a sudden, unexpected occurrence posing a clear and imminent danger that will not permit delay that might result from a competitive procurement but requires immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services. Potential loss of funds, fiscal year closing, failure to plan, model changes, and similar inconveniences are not “emergencies” for the purposes of this Administrative Memorandum nor justification for non-competitive procurement.
2. Competitive procurement requirements may be waived in the case of emergencies as follows:
 - i. Under \$5,000 - by the department director or the director’s designee, or with the director’s or designee’s approval, by the County employee confronted with the emergency.
 - ii. \$5,000 - \$100,000 - by the department director or director’s designee or County Procurement Manager.
 - iii. Exceeding \$100,000 - by the County Manager or designee or by resolution of the Board of Supervisors, which may be provided retroactively.
3. If the County expects to seek Federal or State reimbursement for emergency expenditures, Federal or State procurement rules may supersede County rules and the procurement must be conducted in accordance with the applicable rules.
4. Once an emergency has passed, procurements undertaken to address the consequences of the emergency must comply with standard County procurement procedures.

B. Non-Emergency - Specific Exemptions

Competitive procurement requirements may be waived for the following specific goods and services:

1. Expert witnesses, legal defense, legal advice, or other legal services.
2. Agreements with other public entities, including governments, universities, schools, or other organizations acting as governmental agencies.
3. Agreements with third parties that were developed by another public entity when that third party was selected by the other public entity.
4. Development, administration, or use of licensing or proficiency testing examinations.
5. Items for testing or experiments to determine the suitability of the items for future use.
6. Maintenance agreements for \$100,000 or less per year, provided by the original seller, for equipment under documented warranty.
7. Public entertainment for County-sponsored fairs and expositions.
8. Conference or meeting facilities, including room accommodations for conference attendees, not to exceed \$50,000.

9. Subscriptions, regardless of media format. This includes access to pre-existing proprietary research data, but does not include performance of services such as consulting, advice, and research.
10. Memberships in professional organizations.
11. Personnel training for \$100,000 or less using pre-existing training courses that do not require development of training or other personal or consulting services.
12. Utility services obtained from a utility or a direct access provider.
13. Educational services from a not-for-profit organization.
14. Community service agreements with not-for-profit organizations that provide job training or transitional employment, when the agreements are for non-public works services.
15. Physician and urgent medical services.
16. In-patient hospital psychiatric services.
17. Subject to the restrictions on contracting requirements stated elsewhere in this memorandum, goods or services required for the well-being of a child for whom the County has responsibility, or which are required pursuant to a court order.
18. Child Welfare Services or Behavioral Health and Recovery Services with any qualified provider, including long-term locked facilities without specialized treatment programs; housing and related support services; and individual private mental-health services.
19. Services required for specific clients placed in out-of-county facilities by other agencies.
20. Mental health services in a school placement made by a school district and parents through the individualized education program.

C. Non-Emergency - General Exemptions

The following goods and services do not require competitive procurement:

1. They are proprietary or are only available from a single source; or
2. They are a continuation of an ongoing service or project; or
3. They are required at a specific location and there is no economically feasible alternative within a reasonable distance; or
4. They have unique performance factors; or
5. They are additions to, must conform to, or will become part of existing products or equipment, such as replacement parts; or
6. They are offered at a substantial discount below current market conditions and prices, taking into account both the initial purchase price as well as ongoing expenses.

D. Approval of non-competitive contracts for \$5,000 or less

Department heads or their designees may waive competition.

E. Approval of non-competitive contracts exceeding \$5,000

1. Waiver of competitive requirements must be justified in a written document that is kept as part of the procurement record. Either a specific exemption must be identified, or a justification of the waiver must be provided, which includes at a minimum, the following:
 - i. The salient and unique factors that are unavailable from any other source; and
 - ii. The reasons those factors are required; and
 - iii. Substitutes or other products or sources that were considered and rejected and why; and
 - iv. A statement that the price has been verified as fair and reasonable.
2. The following reasons are not sufficient to waive competitive requirements:
 - i. Personal preference;
 - ii. Specification of an item or service beyond minimum requirements of actual need;
 - iii. Past use of a provider or supplier;
 - iv. Failure to plan, impending loss of funds, or fiscal year close;
 - v. Desire to save time for a non-emergency procurement.
3. Limitations on waivers of competitive requirements

Departments may not waive competitive requirements if the total cost of the original and any additional agreements with the same supplier or service provider, within the same fiscal year, will exceed \$100,000.

F. Approval of non-competitive contracts exceeding \$100,000

In addition to the foregoing, waiver of the competitive process for contracts exceeding \$100,000 also requires a resolution approved by the Board of Supervisors. Approval may be granted for one of the reasons stated in this memorandum or when it is otherwise determined to be in the best interest of the County. The resolution authorizing execution of the contract must also include a waiver of the competitive process. The specific reasons the waiver is in the best interest of the County must be stated in the recitals of the resolution, and the actual approval of the waiver of the competitive process should be stated in the "Now Therefore It Is Hereby Determined and Ordered" section of the resolution.

V. WAIVER OF CONTRACT PROCESS FOR TRANSACTIONS

A. Payment of invoices without executing a contract

Whether a provider of goods or services is selected competitively or not, departments may pay an invoice without executing a contract if:

1. The cost is over \$5000 but it is for a subscription or membership; or
2. The cost for a one time service or purchase of goods, within a specific "P" level budget unit, is for \$5000 or less; and
3. The total cost of the original and any additional purchases from the same provider, within the same fiscal year, and within the same "P" level budget unit remains less than \$5000; and it

- i. Is a service considered low-risk, such as the repair of a machine; or
- ii. Is to respond to an emergency; or
- iii. Is urgently required for the well-being of a child; or
- iv. Could not be anticipated in advance.

B. Prohibitions on waiver of contract requirement

The requirement for a contract may not be waived under any of the following conditions:

1. Other County Administrative Memos or policies supersede Administrative Memo B-1 in this regard;
2. A contract is required by State or Federal law;
3. A contract is required as a condition of revenue or grant funding;
4. The service requires any type of clearance or authorization of the provider such as fingerprinting or a background check;
5. The service involves children, unless it is urgently required for the well-being of a child or is specified by court order;
6. The service provider is required to maintain a license by a state licensing agency.

VI. OVERVIEW OF REVIEWING/APPROVING AUTHORITIES

A. Board of Supervisors

1. Approves contracts exceeding \$100,000 resulting from best-value procurements, and contracts for professional services resulting from IFBs.
2. Approves waiver of competitive process for any contract when such waiver is in the best interest of the County, and for all contracts \$100,000 and above.
3. Approves waiver or modification of jury service pay and living wage requirements for contracts exceeding \$100,000.
4. Approves agreements in which the County provides services in exchange for financial or other consideration from a third party when such agreements exceed \$100,000.

B. Department Head or Designee

1. Approves contracts for \$100,000 or less resulting from best-value procurement.
2. Approves waiver of competitive process for reasons specified in this memorandum when the contract is for \$100,000 or less.
3. Approves agreements in which the County provides services in exchange for financial or other consideration from a third party when such agreements are for \$100,000 or less.

C. Contract Compliance Committee and Procurement Manager

1. Conducts periodic reviews of solicitations and contracts.
2. Procurement Manager, develops, promulgates, and enforces procurement and contract management policies and procedures.

3. Procurement Manager and County Counsel develop and promulgate solicitation and contract templates.
4. Procurement Manager approves contract extensions over three years regardless of contract amount.
5. Procurement Manager approves contracts for multi-department use when \$100,000 or less resulting from best-value procurement
6. Procurement Manager approves contracts resulting from price-based competition.

D. Risk Management

Approves modifications to liability and insurance requirements.

E. Information Services Department

Reviews solicitations and contracts involving IT related goods and services or affecting the County phone and data network for compliance with County IT standards that may be established.

F. County Counsel

1. Reviews all contracts exceeding \$100,000 derived from best-value procurement
2. Reviews all contracts that either modify or do not use County templates
3. Reviews amendments to contracts that:
 - i. Bring the contract amount in excess of \$100,000, or
 - ii. Modify any standard contract template language
4. Reviews all RFPs for work anticipated to exceed \$500,000, and may review any other RFPs at the department's or Contract Compliance Committee's request

G. Real Property Services

Reviews solicitations and contracts involving the acquisition or disposition of real property, loans, or grants controlled by the County for the acquisition, disposition, or improvement of real property, use by County staff of real property owned or leased by others, use by others of County-owned or leased real property.

H. Department of Public Works

1. Reviews solicitations and contracts involving work on County-owned or County-leased facilities.
2. Reviews and administers certain public construction contracts per Administrative Memorandum B-21, "Selection of Construction Contractors."

**OMB Circular A-87, Cost Principles for State, Local and Indian Tribal Governments
Codified in 2CFR Section 225**

Circular A-87 provides principles and standards for determining costs for federal awards, including grants, cost reimbursement contracts, and other agreements with state and local governments, and federally recognized Indian tribal governments. Website: http://www.whitehouse.gov/omb/circulars_a087_2004

Attachment A–Basic Guidelines

Attachment A includes definitions, basic guidelines, classification of costs, and direct and indirect costs. To be allowable a cost must meet specific criteria. Basic Guidelines includes factors affecting allowability, reasonable costs, allocable costs and applicable credits.

Allowability of Costs

To be allowable a cost must:

- Be **necessary** and **reasonable** for proper and efficient performance and administration of federal awards
- Be **allocable** to federal awards
- Be **authorized** and not prohibited
- Conform to any limitations in the circular
- Be **consistent** and applied consistently (capital assets, direct vs. indirect costs, etc.).

Allowable if:

- Follows generally accepted accounting principles
- Not be used to meet cost sharing or matching of another federal award
- Is net of all applicable credits
- Is adequately documented

Reasonable Costs

- Prudent Person Test
- Ordinary and necessary for operation or performance of federal award
- Follows sound business practices; arms-length bargaining; follows laws/regulations federal terms
- Market price for comparable goods and services
- Administered with prudence
- No significant deviations; consistent with non-federal
- Benefits the program

Attachment B–Specific Items of Cost

Activity	Allowable	Explanation
Accounting	Yes	<ul style="list-style-type: none"> • Cost to establish and maintain accounting and other information.
Advertising	Yes	<ul style="list-style-type: none"> • Recruitment of personnel • Procurement of goods and services • Disposal of surplus materials (unless reimbursed at standard

		<ul style="list-style-type: none"> rate) For specific purposes necessary to requirements of federal award
Advisory Councils	Yes	<ul style="list-style-type: none"> As direct cost if authorized by federal awarding agency As indirect cost where allocable to federal awards
Alcoholic Beverages	No	
Audit Services	Yes	<ul style="list-style-type: none"> If performed in accordance with Single Audit Act (and OMB Circular A-133) Percentage of costs charged to federal awards for single audit may not exceed percentage derived by dividing federal funds expended by total funds expended by recipient during fiscal year <ul style="list-style-type: none"> Exceed only if appropriate documentation of higher costs Other audit costs must be preapproved or part of indirect cost allocation plan or rate
Bad Debts	No	<ul style="list-style-type: none"> Unless specifically provided for in federal program award regulations
Bonding Costs	Yes	<ul style="list-style-type: none"> Costs of bonding employees and officials if in accordance with sound business practice
Budgeting	Yes	<ul style="list-style-type: none"> Costs for development, preparation, presentation and execution of the budget
Communications	Yes	<ul style="list-style-type: none"> Costs of: telephone, mail, messenger, etc.
Compensation for Personal Services	Yes	<ul style="list-style-type: none"> Comply with time and effort requirements and documentation Are reasonable for services rendered and conform to established policy of district consistently applied to both federal and non-federal employees Hired in accordance with district rules and meets merit system or other federal requirements
Contingencies	No	<ul style="list-style-type: none"> Contributions to contingency reserve for events which cannot be predicted
	Yes	<ul style="list-style-type: none"> Self-insurance reserve Pension plan reserves Post-retirement health and other benefits computed with acceptable actuarial cost method
Contributions and Donations	No	<ul style="list-style-type: none"> All contributions and donations, including cash, property, and services by governmental units to others, regardless of recipient.
Defense and Prosecution of Criminal and Civil Proceedings and Claims	No	<ul style="list-style-type: none"> Costs incurred in defense of any civil or criminal fraud Costs incurred by a contractor in connection with any criminal, civil or administrative proceedings commenced by the United States or a state Legal expenses for prosecution of claims against the federal government
	Yes	<ul style="list-style-type: none"> Legal expenses required to administer federal program

Depreciation and Use Allowances	No	<ul style="list-style-type: none"> • Land • Buildings or equipment purchased or donated by federal government or used as part of match • <i>See Circular for additional guidance</i>
	Yes	<ul style="list-style-type: none"> • Use one or the other, not both for asset class • Follow district policy and GAAP
Disbursing Service	Yes	<ul style="list-style-type: none"> • Cost of disbursing funds
Electronic Data Processing	Yes	<ul style="list-style-type: none"> • See Equipment
Employee Morale, Health and Welfare Costs	Yes	<ul style="list-style-type: none"> • Costs of health, first-aid clinics and/or infirmaries, recreational facilities, employee counseling services, employee information publications, related expenses consistent with district policy • Income from any of these activities will be offset against expenses
Entertainment	No	<ul style="list-style-type: none"> • Costs of entertainment, including amusement, diversion and social activities and any costs directly associated with such costs <ul style="list-style-type: none"> • Examples: tickets to shows or sports events, meals, lodging, rentals, transportation, gratuities
Equipment and Capital Expenditures	Yes	<ul style="list-style-type: none"> • Through depreciation or use allowances, OR • Charged directly • Includes equipment, replacement equipment, other capital assets and improvements which materially increase the value or useful life of equipment <ul style="list-style-type: none"> • Federal agencies may waive or delegate approval • Equipment with acquisition cost of less than \$5000 are considered supplies <ul style="list-style-type: none"> • Allowable as direct costs • Change in capitalization level <ul style="list-style-type: none"> • May continue to follow use or depreciation or amortize amount to be written off over period negotiated with cognizant agency (OSPI) • Trade in for replacement equipment may be used to offset cost of new
Fines and Penalties	No	<ul style="list-style-type: none"> • Unless incurred as a result of compliance with <i>specific provisions of federal award or written instructions</i> by awarding agency authorizing (<i>rare</i>)
Fund Raising and Investment Management Costs	No	<ul style="list-style-type: none"> • Costs of organized fund raising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions • Costs of investment counsel and staff to enhance income from investments
	Yes	<ul style="list-style-type: none"> • Costs associated with pension, self-insurance or other funds which include federal participation
Gains and Losses On Disposition of Depreciable Capital Assets	No	<ul style="list-style-type: none"> • Amount depreciated, amortized, or use allowance • When property given in exchange as part of the price of similar item • Losses from failure to maintain insurance

		<ul style="list-style-type: none"> Substantial relocation of federal awards from a facility where federal participation to another facility prior to expiration of useful life requires federal approval Does not usually apply to United States Department of Education (ED) grants
	Yes	<ul style="list-style-type: none"> Allowable in year they occur as credits or charges Limited to difference between amount realized on the property and the undepreciated basis of the property
General Government Expenses	No	<ul style="list-style-type: none"> Salaries and expenses of chief executives (superintendent's office, principal's office) Salaries and expenses of school boards whether incurred for purposes of legislation or executive direction Cost of prosecutorial activities unless authorized by program regulations (<i>rare</i>)
Idle Facilities and Idle Capacity	No	<ul style="list-style-type: none"> Unless: <ul style="list-style-type: none"> Necessary to meet fluctuations in workload Were necessary when acquired (limit one year) <i>Does not usually apply to ED grants</i>
Insurance and Indemnification	No	<ul style="list-style-type: none"> Costs of insurance or contributions to a reserve covering risk of loss of or damage to federal government property unless agency has specifically required or approved Actual losses which could have been covered by permissible insurance Cost of commercial insurance that protects against costs of contractor for contractor's defects in materials or workmanship
	Yes	<ul style="list-style-type: none"> Costs of insurance required, approved or maintained pursuant to the federal award Costs of other insurance (allocable to program) <ul style="list-style-type: none"> Follow district policy and sound business practice Costs due to losses not covered due to nominal deductible insurance coverage if follow sound management practice Minor losses not covered by insurance which occur in ordinary course of operations Contributions to reserve for self-insurance programs (including workers compensation, unemployment compensation, and severance pay) subject to: <ul style="list-style-type: none"> Type of coverage, extent of coverage and rates would have been allowed had insurance been purchased to cover the risks Earnings and investment income on reserves credited Contributions to reserves based on sound actuarial principles and updated at district biennially Other (see Section 25) Actual claims paid to or on behalf of former or current employees must be allowable in the year of payment <ul style="list-style-type: none"> Consistent policy followed Allocated as general administrative expense to all

		<p>activities of district</p> <ul style="list-style-type: none"> • Insurance refunds must be credit against costs • Only to extent provided in federal award
Interest	No	<ul style="list-style-type: none"> • Costs incurred for interest on borrowed capital or the use of district's own funds
	Yes	<ul style="list-style-type: none"> • Financing costs of allowable costs of building acquisition, construction, reconstruction or remodeling if: <ul style="list-style-type: none"> • Financing from bona fide third party external to district • Assets used in support of federal awards • Earnings on debt service reserve and interest offset
Lobbying	No	
Maintenance, Operations and Repairs	Yes	<ul style="list-style-type: none"> • If: <ul style="list-style-type: none"> • Not prohibited by law • Keeps property in efficient operating condition • Does not add to value or prolong life of property • Are not included in rental or charges for space • <i>Costs which add to permanent value or prolong life should be treated as capital expenditures</i>
Materials and Supplies	Yes	<ul style="list-style-type: none"> • Charge actual price after deducting discounts, rebates and allowances • Stockroom withdrawals at cost • Incoming transportation charges are part of materials and supplies costs
Meetings and Conferences	Yes	<ul style="list-style-type: none"> • Costs of meetings and conferences to disseminate technical information specifically including <ul style="list-style-type: none"> • Working Meals • Transportation • Rental of Facilities • Speakers' Fees
Memberships, Subscriptions and Professional Activities	No	<ul style="list-style-type: none"> • Membership in organizations substantially engaged in lobbying
	Yes	<ul style="list-style-type: none"> • Districts memberships in business, technical, and professional organizations • District's subscriptions to business, technical and professional periodicals • Meetings and conferences where primary purpose is dissemination of technical information (<i>includes meals, transportation, rental of meeting facilities and incidental costs</i>) • Membership in civic and community social organizations with approval of federal agency
Motor Pools	Yes	<ul style="list-style-type: none"> • Costs of service organization which provides automobiles to district at a mileage or fixed rates and/or provides vehicle maintenance, inspection, and repair services
Pre-Award Costs	No	<ul style="list-style-type: none"> • Unless: <ul style="list-style-type: none"> • Necessary to comply with the proposed delivery schedule or period of performance

		<ul style="list-style-type: none"> • Only to extent they would have been allowable if incurred after award date • Only with written approval of awarding agency
Professional Service Costs	No	<ul style="list-style-type: none"> • Defense and prosecution of criminal and civil proceedings and claims
	Yes	<ul style="list-style-type: none"> • Professional and consultant services, including retainer fees, by persons or organizations that are members of a particular profession or possess a special skill, if <ul style="list-style-type: none"> • Reasonable • Not contingent upon recovery of costs from the federal government
Proposal Costs	Yes	<ul style="list-style-type: none"> • Costs to prepare proposals for potential federal awards <ul style="list-style-type: none"> • Treat as indirect costs unless prior approval of federal awarding agency
Public Relations	No	<ul style="list-style-type: none"> • All other advertising and public relations • Costs of conventions, meetings or other events <ul style="list-style-type: none"> • Costs of displays, demonstrations, exhibits • Costs of meeting rooms, hospitality suites, etc. • Salaries and wages of employees engaged in setting up and displaying exhibits, making demonstrations, providing briefs • Promotional items (models, gifts, souvenirs) • Costs of advertising and PR designed to solely promote governmental unit
	Yes	<ul style="list-style-type: none"> • Specifically required by federal award (only as direct cost) • Communicate specific activities or accomplishments from performance of federal award to public or press (direct cost) • Necessary to liaison with news media-limited to keeping public informed on federal notices, contracts, grant awards, financial matters
Publication and Printing Costs	Yes	<ul style="list-style-type: none"> • Must be reasonable and allocable
Rearrangements and Alterations	Yes	<ul style="list-style-type: none"> • Ordinary and normal rearrangement and alteration of facilities • Special arrangements and alterations specified in the federal award or with prior approval
Reconversion Costs	Yes	<ul style="list-style-type: none"> • Restoration or rehabilitation of district's facilities to approximately same condition immediately prior to federal awards, less costs related to normal wear and tear
Rental Costs	Yes	<ul style="list-style-type: none"> • Must be reasonable • Sale and lease back arrangements limited to what it would have cost if district owned the property • Less than arm's length transactions limited to amount if district had title to property • Rental costs under leases must be treated as capital leases under GAAP (follow FASB Stmt 13) • <i>See Interest Section</i>
Taxes	No	<ul style="list-style-type: none"> • Self-assessed taxes and/or policies that disproportionately

		<p>affect federal programs</p> <ul style="list-style-type: none"> • If deemed inappropriate by federal agency
	Yes	<ul style="list-style-type: none"> • If legally required • Gasoline taxes, motor vehicle fees other taxes which are user fees for benefits to federal program
Training	Yes	<ul style="list-style-type: none"> • Reasonable for professional development of employees
Travel Costs	No	<ul style="list-style-type: none"> • Costs in excess of normal costs permitted by district policy (use federal guidance if no district policy) • Commercial airfare must be coach rate or equivalent • Non-commercial air travel is generally not allowable
	Yes	<ul style="list-style-type: none"> • Transportation, lodging, subsistence, and related items for employees on official business • May be charged based on actual cost, per diem or combination in accordance with district policy • Travel costs for general government employees are allowable when specifically related to federal awards • All charges must be reasonable and not exceed normally allowed costs
Underrecovery of Costs under Federal Agreements	No	<ul style="list-style-type: none"> • Excess costs over federal contribution of one award are not permitted to be charged to other awards