

COUNTY OF NEVADA
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September 12, 2023

The Honorable Judge Scott Thomsen
Supervising Judge of the Grand Jury
201 Church Street
Nevada City, CA 95959

RE: County of Nevada Reponses to Grand Jury 2022/23 Report entitled Nevada County – Challenges in Managing Contracts

Honorable Judge Scott Thomsen,

Please find enclosed the County of Nevada's responses to the Grand Jury's 2022/23 Report *Nevada County – Challenges in Managing Contracts* as approved by the Board of Supervisors at their regularly scheduled meeting on September 12, 2023.

Sincerely,

Ed Scofield
Chair, Board of Supervisors

Encl.

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NEVADA COUNTY BOARD OF SUPERVISORS RESPONSES TO

2023 Nevada County Civil Grand Jury Report

Report on responses to the 2022-2023 Grand Jury Report: Nevada County-
Challenges in Managing Contracts

DATED September 12, 2023

In accordance with California Penal Code § 933.05(b), the Nevada County Board of Supervisors is responding to the Nevada County Civil Grand Jury FY 2022/23 Report entitled *Nevada County – Challenges in Managing Contracts*. The responses to findings and recommendations are based on examination of official County records, review of the responses by the County Executive Officer, County Counsel, Director of the Information and General Services Agency, Deputy Purchasing Agent, and County staff.

In summary, the Grand Jury Report recommends Nevada County take various actions to improve its management of contracts. Nevada County has, is currently, and will continue to take actions to improve its contract management efficiency. We thank the Grand Jury for its hard work investigating issues or interest to the public and providing the county with an opportunity to respond to its recommendations as listed below.

A. RESPONSES TO FINDINGS

F1: The County needs a centralized contract-management system.

Disagree.

The current County wide contract management expectations are adequate and comprehensive. Decentralized contract management is an efficient and flexible model.

F2: The County needs up-to-date software to manage contracts.

Agree

F3: The County's purchasing process is well established and effective.

Agree.

F4: The County needs to allocate sufficient funding to employ well-trained contract-management staff to perform oversight.

Disagree.

Staffing and funding needs for FY23/24 have been analyzed and allocated during the award-winning County annual budget process led by the County Executive Office.

F5: Many County employees are qualified and capable, but because of insufficient staffing and limited collaboration among departments, the County does not exercise its right to manage and audit contracts.

Partially disagree.

The County does manage contracts. The County performs limited, regular audits of select contracts.

B. RESPONSES TO RECOMMENDATIONS

R1: Within six months, implement a centralized contract-management system, supported by enough trained staff and up-to-date software to serve all County departments.

The recommendation will not be implemented.

An enterprise contract management system is a large effort requiring extensive research and the County has prioritized the replacement of the financial system that will impact the contract management process.

R2: Within three months, budget administrative costs for County expenses of managing contracts under grants that do not allocate such funds.

The recommendation will not be implemented.

Administrative costs are budgeted and analyzed during the annual budget preparation process. The County seeks to cover administrative costs during the grant application and award process.

R3: Within three months, improve requirements in contracts with nonprofit vendors to ensure the County's ability to manage those contracts effectively and to ensure vendor financial responsibility and transparency.

The recommendation has been implemented.

The County has updated contract templates and tools to assist departments with non-profit contracts. Additional improvements have been identified and will be implemented.

R4: Within three months, implement improved procedures for advancing contract funds.

The recommendation will not be implemented.

The process for advancing contract funds is being developed however will not be completed in three months.

R5: Within three months, require nonprofit vendors to use fund accounting.

The recommendation will not be implemented.

This is not required by law or regulation and would be impossible for almost all our medium and small vendors to accomplish.

R6: Within three months, only contract with non-profit vendors that agree to operate consistently with the Ralph M. Brown Act.

The recommendation will not be implemented.

As this is not a current legal requirement, this recommendation would severely limit the vendor pool.

R7: Refrain from new contract amendments or extensions unless the additional amount involved is less than \$50,000.

The recommendation will not be implemented.

Contract scope and timelines change along with the needs of the department. There is an established process for amendments that will continue to be followed.

R8: Within six months, expand outreach program to broaden the potential vendor pool.

The recommendation has not yet been implemented but an outreach program will be initiated within the next six months.