COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 6/13/2022

To: County of Sonoma Board of Supervisors
Department or Agency Name(s): Department of Health Services
Staff Name and Phone Number: Tina Rivera, 565-4774
Vote Requirement: 4/5th
Supervisorial District(s): Countywide

Title:
Hepatitis C Virus Testing and Sexually Transmitted Disease Prevention and Control Services Agreements

Recommended Action:

A) Authorize the Director of Health Services to execute agreements with Santa Rosa Community Health Centers for Hepatitis C Virus Prevention and Control ($163,424) and Sexually Transmitted Diseases Collaborative Services ($164,581) and Face2Face for Hepatitis C Virus Prevention and Control ($20,000) for services provided in fiscal years 2019-2020 and 2020-2021, for a total of $348,005.
B) Adopt a resolution authorizing budgetary adjustments to the fiscal year 2021-2022 adopted budget to reflect additional revenue and expenditures related to Hepatitis C Virus Testing and Sexually Transmitted Disease Prevention and Control Services Program funding in the amount of $266,293.

Executive Summary:
In 2019, the Governor's office appropriated general funds to support preventative services for Hepatitis C Virus (HCV) and Sexually Transmitted Infections (STI's) in local health departments. The funding was initially for one year $348,005 (FY 2019-2020). Subsequently, the state grant funding stream to Sonoma County of $348,005 per year was extended through 2024. In sum, the state grants now total $1,740,035 and it is intended to finance services from FY 19-20 through FY 23-24.

Staff recommends awarding $328,005 to Santa Rosa Community Health Centers for Hepatitis C Virus Prevention and Control for 7/1/2019 through 6/30/2021. This award is retroactive and will cover $348,005 in payments already executed. The services are financed through state grant totaling $1,740,035 designed to finance Hepatitis C Virus Testing and Sexually Transmitted Disease Prevention and Control Services from July 1, 2019 through June 30, 2024. The request to award and to appropriate state funds does not include a competitive selection process as COVID-19 pandemic workload prioritization limited staff's capacity to conduct. Staff has communicated with California Department of Public Health (CDPH) about community based organizations' services without completing the competitive selection process step. While CDPH acknowledged the pandemic's limited staff capacity, the risk of a grant audit finding still remains, which may result in up $696,010 of non-qualifying expenses to be funded from 1991 Realignment.

This item also recommends approval of a budget resolution to increase appropriations for the payment of $266,293 to both Santa Rosa Community Health Centers and Face2Face for services provided in fiscal years 2019-2020 and 2020-2021, a net of $81,712 already paid in previous fiscal year.

Discussion:

The proposed scopes of works for the community-based organizations (CBOs) and the Department of Health Services (DHS, or "the Department") budgets were due to the State in January 2020. The Department requested an extension and submitted all final documents to the State in March 2020. During this same time, DHS' response to the COVID-19 pandemic necessitated that all Disease Control resources (and all DHS staff in general) be re-allocated to the response. However, subsequent to the award, given COVID-19 pandemic competing priorities, unfortunately DHS staff bypassed steps to secure the proper purchasing procedures in order to execute the contracts.

As part of the acceptance of the Community Health Centers for Hepatitis C Virus Prevention and Control and Sexually Transmitted Diseases Collaborative Services grant funding, 50 percent of the Department's award must be provided to a local CBO. The remaining 50 percent of the grant funding goes to programmatic department staffing and administrative costs. Two CBOs, Santa Rosa Community Health Centers and Face2Face, have been providing similar services for DHS since 2015.

Santa Rosa Community Health Centers and Face2Face began efforts to deliver services to our community based on an agreed upon scope of work. Subsequently, DHS worked to develop the formal contracts for these services but due to the non-competitive nature of the award since the selection of providers was not the result of a competitive process, County Purchasing would not approve the Santa Rosa Community Health Centers contracts for execution. DHS requested a single source waiver to secure the contracts. However, after several months, County Purchasing denied single source waiver due to the agreement exceeding the fiscal threshold of $50,000 without a competitive process. The contract with Face 2 Face is under this threshold and could be approved at the Department level.

Under County Counsel advisement, DHS moved forward with providing compensation to the vendors. It was further determined that in order to allow payment to the vendor, the Department would submit warrant requests for payments as long as the Department provided documentation of this issue, detailing why the Purchasing guidelines were not followed. These payments were made to the vendors with 1991 Health Realignment. In total, the County is approved for reimbursements of $696,010 in grant funding, of which $348,005 is earmarked for CBO contracts for FY 19-20 and FY 20-21. After discussions with DHS staff, County Counsel, and the California Department of Public Health (CDPH), the Department is proposing the aforesaid recommended actions to address this issue.

As a grant recipient, DHS staff meets quarterly with CDPH staff to review progress of relevant grants, including these two grants specifically. In discussions with CDPH staff, DHS was encouraged to prepare and submit invoicing for reimbursement, despite not having contracts in place. DHS and Counsel agreed that paying a contractor without an executed contract would present a very high risk for an audit finding, potentially requiring the Department to return funding that was invoiced without a competitive process.

The process of invoicing for the past work is also critical to the Department. If DHS is unable to invoice for this work, it would result in a loss of $696,010 ($348,005 for CBOs and $348,005 for Department costs) as the funds remaining do not carry-over. Additionally, by not contracting and invoicing out the work, the Department would be non-compliant with grant policies. Therefore, resulting in $696,010 in funds spent for FY 19-20 and FY 20-21 that will not be recovered causing future services funding capacity in 1991 Health Realignment for the Department.

In FY 2021-22, contracts with the CBOs were under the competitive process threshold allowing for the work to continue while a request for proposals was proceeding.

As mentioned previously, the Department was required to complete a formal request for proposals (RFP),

ensuring a competitive process to utilize remaining funding of $696,010 through the extended grant period ending on June 30, 2024. A future Board item will be submitted in July 2022 with selection results and proposed contract service agreements.

Summary of Recommended Agreements:

Vendor	Services	Term	Per FY Amount	Contract Totals
Santa Rosa Community Health Centers	Hepatitis C Virus Prevention and Control	7/1/2019 - 6/30/2021	$81,712	$163,424
Santa Rosa Community Health Centers	Sexually Transmitted Diseases Collaborative Services	7/1/2019 - 6/30/2021	$82,290.50	$164,581
Face2Face	Hepatitis C Virus Prevention and Control	7/1/2019 - 6/30/2021	$10,000	$20,000
		Totals	$174,002.50	$348,005

Strategic Plan:
N/A

Prior Board Actions:
N/A

FISCAL SUMMARY

Expenditures	**FY 21-22 Adopted**	**FY 22-23 Projected**	**FY 23-24 Projected**
Budgeted Expenses			
Additional Appropriation Requested	$266,293		
Total Expenditures	**$266,293**	**0**	**0**
Funding Sources			
General Fund/WA GF			
State/Federal	$266,293		
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	**$266,293**	**0**	**0**

Narrative Explanation of Fiscal Impacts:
The contract total for both FY 19-20 and FY 20-21 in subcontractor services is $348,005. DHS has issued all payments to these vendors and needs additional appropriations with the attached Budget Resolution to recoup the appropriations for other expenses.

Staffing Impacts:			
Position Title (Payroll Classification)	**Monthly Salary Range (A-I Step)**	**Additions (Number)**	**Deletions (Number)**

Narrative Explanation of Staffing Impacts (If Required):
N/A

Attachments:
Attachment 1 - Agreement with SRCHC (HCV)
Attachment 2 - Agreement with SRCHC (STD)
Attachment 3 - Agreement with Face2Face
Attachment 4 - Budget Resolution

Related Items “On File” with the Clerk of the Board:
None