GARBAGE IN, GARBAGE OUT:

Santa Clara County Public Contract Data

2022 Santa Clara County
Civil Grand Jury
December 14, 2022

TABLE OF CONTENTS

GLOSSARY AND ABBREVIATIONS

Ariba	Cloud-based business software vendor, subsidiary of SAP.
CPRA	California Public Records Act (Government Code section 6250 et seq.) enables private individuals to access public records from public entities unless the records are exempt from disclosure by law.
Change Order	Change order for specifications, costs, and terms of contract that can increase or decrease contract cost.
ERP	Enterprise resource planning refers to a centralized and comprehensive system meant to integrate the resources, information and day-to-day business activity of an organization. With a shared common database, real-time data visibility provides a single source of information for stakeholders.
Finance and Government Operations Committee	This committee provides oversight and direction in for the County's finance, budget, technology, and capital projects.
Office of Countywide Contracting Management	A division of the County Executive's Office which supports the governance of County contracting activities.
PDF	Portable document format.
SAP	Enterprise resource planning software vendor.
Term Contract	An agreement between parties for a defined period.

SUMMARY

This investigation began from a single complaint regarding a lack of public access on the County of Santa Clara (County) public portal for vendor contract information. The 2022 Santa Clara County Civil Grand Jury (Civil Grand Jury) confirmed findings of a Harvey M. Rose Associates, LLC audit that the contract information, which the County provides on its web portal and reports to its Board of Supervisors (BOS), contains significant errors. This profound failure in accountability violates the County's promise of transparency and plants seeds of public distrust.

The fundamental causes of the lack of transparency in contract data can be traced to human error arising from manual data entry and failure to fully implement the County's existing software system. Through its investigation, the Civil Grand Jury determined:

- The County does not provide the public with accurate contract data.
- County employees from all departments perform contract data input; however, there is a lack of standardized processes to effectively input data, manage contracts, and validate data.
- To compound this issue, employee training in contract data input is not mandatory.
- After spending millions of dollars on enterprise resource planning (ERP) systems to improve contract management, the County never fully implemented the contract management module of the ERP system used by most County departments.

Transparency of County contract data has fallen victim to the classic "garbage in, garbage out" phenomenon. When inaccurate data is fed into a system's database, reports that are generated from the database cannot be relied upon.

BACKGROUND

The current population of Santa Clara County is 1.9 million. The fiscal year (FY) 2021-2022 budget was $9.2 billion. The current FY budget is $11.5 billion. In 2011, the BOS passed Ordinance No. NS-300.846 adding Division A17 to the County's Ordinance Code relating to open government. Section A17-1 contains the County's policy statement regarding open government:

> The County of Santa Clara is committed to openness in government. County officials will work together and with the public to ensure open and effective government as well as public trust and establish a system of transparency, public participation, collaboration, and accountability. Towards this goal, the County will continue to work towards expanding access to information to the extent permitted by law and subject to valid privacy, confidentiality, security, or other restrictions. The County Executive shall create a procedures manual to further implement this policy and ordinance and shall make the manual available to the public.

The County has publicly committed to openness for the very reason that the County's fiscal commitments and spending are a central area of public concern that warrants utmost transparency.

County ERP Systems Used for Contract Data Analysis

The County uses two ERP systems for ongoing contract management in the County. These two software applications have varying degrees of independence and interdependence.

ERP refers to a centralized and comprehensive system meant to integrate the resources, information, and day-to-day business activity of an organization. With a shared common database, real-time data visibility can be achieved to provide a single source of information for the County's stakeholders (the public as well as employees). An ERP software package unites, standardizes, and streamlines core business management functions into a single solution, thereby eliminating silos and duplicate work.

The County acquired an SAP ERP in 2002 and after SAP acquired Ariba in 2012, an Ariba ERP in the 2014-2015 timeframe; multiple systems are in place within the County's various departments. The integration of those ERP systems is extremely challenging as each of them has different features and functionality that may serve their target customer well yet make it difficult for the County's Technology Systems and Solutions department to integrate and share information across those systems. It should be noted that the SAP software used by the County is an on-premises solution while Ariba is a cloud solution. The on-premises system is managed, maintained, and modified by the County; the cloud-based ERP resides with the vendor and is modified by the vendor. Currently the two systems do not use the same modules to manage contract data.

Initially, according to the County's FY 2014-2015 budget proposal, the SAP and Ariba ERP systems were acquired to provide three key strategic advantages for the County:

1. Increase efficiency by automating what was a highly manual workflow.
2. Increase the integration and communication between separate financial systems used at the County.
3. Increase process visibility enabling greater control over excess spending, contracts, and compliance.

However, the contract management module of SAP was never implemented. Decentralized departments are using the *material management module* to input contract data. The material management module provides departments the ability to manage materials inventory as well as warehouse management capabilities. Contracts are dynamic instruments that are subject to amendments. The use of the SAP *contract management module* would allow for the management and recording of those contract changes as well as provide full integration with Ariba's *contract management module*, thereby increasing the accuracy of the contract database and the reliability and useability of reports of contract data.

The initial cost of the SAP/Ariba system in FY 2014-2015 was $5,623,881 with an annual maintenance and update cost of $4,289,541, which includes an increase in staffing of 20.5 full-time equivalent positions. The departments for such additional staffing positions were not specified in the contract. The County purchased Ariba to be compatible with the existing SAP ERP; however, the contract management module was never fully implemented and the compatibility with Ariba has not been realized.

County Contract Data

The County procures goods and services to support County functions and provide essential services to the community. Policies on soliciting and contracting by the County are governed by Chapter 5 of the County of Santa Clara Board of Supervisors Policy Manual entitled "Policies on Soliciting and Contracting" and County Ordinance Code, Division A34, Chapter VI.

The County has adopted a hybrid procurement model referred to as "centralized and decentralized." When procurement is fully centralized, all purchasing and contract management are performed by a single dedicated department or organization. When procurement is fully decentralized, each department is responsible for its own purchasing and contract management.

Under the County's hybrid procurement model, centralized purchasing and contract management takes place in the Procurement Department, which acquires goods and related services and non-professional services on behalf of some County departments and agencies. Decentralized contracts are managed outside of the Procurement Department by various County departments and agencies; these are typically professional service contracts under $300,000 and purchases authorized by the BOS.

According to the County Procurement Administrative Guidelines:

> The County of Santa Clara's mission is to serve the needs of its 2,000,000 residents. As the steward of taxpayer dollars, the County recognizes its responsibility for procuring and contracting goods and services in a transparent and cost-effective manner.

To meet the goals of transparency to the public and to existing and prospective vendors, the County publishes active contract data in two ways. The first appears on the County Procurement department website ("Doing Business with the County," https://procurement.sccgov.org/doing-business-county/active-contracts). The webpage has two portals: (1) Procurement Department Active Contracts, which are supposed to contain all the centralized contracts handled by the Procurement Department; and (2) County Agency and Department Active Contracts, which is supposed to contain all of the decentralized contracts managed by other County departments and agencies. There are approximately 800 centralized contracts and 1,200 decentralized contracts listed as of this writing.

In addition to the website, the Procurement Department annually provides the BOS and Finance and Government Operations Committee with a "Term Contracts List." This list is a report of all purchasing actions taken by the County's Chief Procurement Officer or designee during the preceding fiscal year.

Since 2018, contract data is shared monthly with the public via the Active Contracts lists as well as on the annual Term Contracts List. The Civil Grand Jury explored the transparency and reliability of contract data published by the County.

METHODOLOGY

The Civil Grand Jury conducted 14 interviews and made numerous follow-up requests to those interviews, including requests for documents and contracts. The Civil Grand Jury also made Public Records Act requests for documents and contracts. The list of documents and websites the Civil Grand Jury reviewed can be found in the References section at the conclusion of this report.

The Civil Grand Jury commenced its inquiry by reviewing: (1) the 2021 Harvey M. Rose Associates, LLC *Management Audit of County of Santa Clara Procurement Department;* (2) the County of Santa Clara Procurement Administrative Guidelines, version 1.0; and (3) Chapter 5 of the Board of Supervisors Policy Manual. Additionally:

- The Civil Grand Jury reviewed the departmental utilization of software and technology support available for contract management and data entry.

- The Civil Grand Jury reviewed how neighboring counties and cities managed and shared contract data with their vendors and the public.

- The Civil Grand Jury selected a sample of twelve contracts found on the Active Contracts list, then requested the actual hard copy contracts of the chosen samples. The Civil Grand Jury compared the contract data displayed on the public Active Contracts list to the Term Contracts list and the actual contracts.

- The Civil Grand Jury then sought explanations from multiple sources regarding the inaccuracies in the Active Contracts list as well as the discrepancies between the actual contracts and the contract data provided to the public.

INVESTIGATION

Transparency is a Value also Championed by the Procurement Officers

The National Association of State Procurement Officials (NASPO) and the National Procurement Institute, Inc. (NPI) sponsor an annual "Achievement of Excellence in Procurement Award." The County's Procurement Department has been a recipient of this prestigious award.

In addition to the County's stated commitment to a "system of transparency," NASPO advises, "[w]hile openness in procurement is a best practice, published information should be meaningful for stakeholders, as well as the general public." (See Principle 2 of the Transparency Checklist, https://pulse.naspo.org/post/create-your-road-map-to-transparency/). NASPO lists the value of transparency in reliable procurement data as follows:

- **Integrity**: The public disclosure of information around public procurement processes contributes to identifying and decreasing cases of mismanagement, fraud and corruption.

- **Access:** Transparency contributes to fair and equitable treatment for potential suppliers.

- **Participation**: Transparency contributes to the provision of public procurement information to potential domestic and foreign suppliers, civil society and the general public.

- **Efficiency**: Transparency, in the flow of public funds for instance, can help policy makers to organize (*sic*) procurement strategically and improve its efficiency.

- **E-procurement**: E-procurement systems strengthen transparency by making information available on public procurement processes.

- **Accountability**: Transparency promotes accountability by giving account for public procurement processes and public spending.

- **Integration**: Ensuring the visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle, ensures transparency.

Inputting Contract Data into the ERP

Under the County's hybrid model of procurement, once an agreement is reached and approved between the County and the vendor of goods and/or services, the methodology for decentralized and centralized contract data entry is ideally a four-step process to be followed by all departments:

1. A County employee scans the hard copy contract into Ariba or SAP ERP system and then inputs specific contract information into Ariba or SAP. The Procurement Department uses Ariba; most other departments currently use SAP.

2. Each County hard copy contract is assigned a County-assigned number before signing. Additionally, the contract ERP program autogenerates another unique contract number. Each contract thus has two unique numbers. The Active Contracts list displays only the computer-generated number.

3. A County employee inputs contract data, including the name of the vendor, description of service or project, length of contract, and dollar value.

4. The descriptions and terms of the contract can either be manually detailed or selected from a pull-down menu.

As new contracts are created and old ones expire, the Procurement Department updates the Active Contracts list monthly. The update reflects the data downloaded from SAP and Ariba systems. Contract values are dynamic; the Procurement Department is responsible for updating centralized contract information, and individual departments are responsible for updating their decentralized contract information. There is no uniform monthly review and/or update for existing contract spending, increases, or amendments.

The County is currently piloting a program with its Social Services Agency in which their contract database will not only display a computer-generated contract number but also the County-assigned contract number. The Civil Grand Jury found that on a few occasions when making a Public Records Act request for a hard copy contract, it was difficult for the County to locate the contract using only the computer-generated number. The County contract number is not currently displayed on the Active Contracts lists.

The Active Contracts lists do not display ongoing spending, change orders, or the contracting authority. Worse, in addition to the public not seeing amendments or contract totals, none of the interviewed County officials were able to provide the Civil Grand Jury with the total number of contracts or the County's current financial obligations. This bears repeating: those in charge of County spending do not have reliable and current contract data.

Contract Data Errors

The Civil Grand Jury reviewed two sources of contract information provided to the public. One such list is found in the Active Contracts lists on the Procurement Department website, which was created by the eProcurement team as part of its responsibility to manage and maintain the

department's intranet and internet sites and implemented in 2018. Contract information is extracted from Ariba and SAP systems, converted to a PDF file (which combines the data from centralized and decentralized contracts), and then posted on the County website. The other is referred to as a Term Contracts list and it posts the new contracts for the current year. The Term Contracts list is also compiled from Ariba and SAP data, reviewed by the Office of County Contracting Management (OCCM), and then presented annually to the BOS.

The Civil Grand Jury randomly selected a dozen contracts from the Active Contracts lists to compare to the public data description of those contracts. In all cases, the public data was flawed. The Civil Grand Jury's investigation revealed that information regarding the same contract detailed on the Active Contracts list and the Term Contracts list was often in conflict. Also, the decentralized departments favored the vague contract description of "consulting," a generic term used repeatedly even though it fails to provide pertinent information to the public. Several examples of public data discrepancies follow.

Example 1

The Procurement Department presented a February 2022 report to the BOS which detailed "FY 2021 Term Contracts." Contract 4400008023 was described as a $280,000 term contract with a detailed description of the nature of the contract; however, on the May 2022 Procurement website, the same contract was listed with a value of $340,000.06 and described generically as a "consulting contract." During the Civil Grand Jury's interviews, this discrepancy in "purpose" detail could not be explained. In other words, the contract data information, which is just a snapshot in time, is data downloaded from Ariba or SAP, reviewed by OCCM, and provided to the BOS. The data from the Active Contracts list for the public is not vetted by OCCM.

Contract ID	Purpose	Term	Value
Purchasing Agent Actions Relating to New FY 2021 Term Contracts			
4400008023	"Production, website, and media planning services to the Suicide Prevention Program."	12/1/2020 to 6/30/2022	$280,000.00
Procurement Department Website Active Contracts			
4400008023	"Consulting Services"	12/1/2020 to 6/30/2022	$340,000.06

Example 2

The Procurement Department admitted during interviews with the Civil Grand Jury that the Term Contracts list and the Active Contracts lists each only "captured a part of the program;" the result was that public contract data for the same contract was inconsistent. The example below shows the same contract having three different "purpose" descriptions. The difference in contract value

may be based on when the data was entered into the ERP, but the description should be identical, as are the term dates.

Contract ID	Purpose	Term	Value
Purchasing Agent Actions Relating to New FY 2021 Term Contracts			
4400008038	"CPQCC Annual Dues & Fees"	5/1/2020 to 4/30/2025	$27,300.00
Procurement Department Website Active Contracts			
4400008038	"Consulting Services"	5/1/2020 to 4/30/2025	$56,600.08
Actual Hard Copy Contract			
4400008038	Participation in California Perinatal Quality Care Collaborative. Three-year contract which is renewable for two more years. First year $27,000.00. Signed August 20, 2020.	5/1/2020 to 4/30/2025	$160,000 cap

Example 3

The Civil Grand Jury also discovered through its investigation that the Active Contracts list does not always conform to the information on the hard copy contract after the contract has been modified through change orders.

Contract ID	Purpose	Term	Value
Actual Hard Copy Contract			
4300018379	O'Connor Seismic Compliance	4/2/2020 to 9/30/2022 [Change Order on 9/22/2022]	$27,610,982.00 [$37,300,270.00]
Procurement Department Website Active Contracts			
4300018379	"Consulting Contract"	5/1/2020 to 4/30/2025	$31,202,181.71

Example 4

Another problem that became apparent to the Civil Grand Jury is that the Active Contracts list does not always contain current contract value and contract term data. Job order contracts are contracts with a maximum spending limit; by their very nature the contract data will fluctuate, yet the Active Contracts list does not expose those amendments nor the accurate nature of the contract.

Contract ID	Purpose	Term	Value
	Actual Hard Copy Contract		
4300020541	Job Order Contract (J56[2]) which requires the vendor to complete a series of jobs As of 5/31/2022, $2,870,709.65 had been paid	FY 2021-22	$3,000,000.00 maximum
	Procurement Department Website Active Contracts		
4300020541	"Building, construction services, new, including maintenance."	8/17/2021 to 9/17/2022	$1,681,288.82

[2] J56 is the contract number listed on the hard copy of the job order contract.

Contract ID	Purpose	Term	Value
	Actual Hard Copy Contract		
CW22232993	Individually wrapped popped popcorn for Department of Correction	4/22/2016 to 5/15/2023 Amended	Amended value $675,000 maximum
	Procurement Department Website Active Contracts		
CW22232993	"Popcorn"	11/16/2016 to 11/16/2022	$600,000

Example 5

The Active Contracts list also does not reflect all active contracts. The Civil Grand Jury discovered two such "hidden" contracts, both of which the BOS has asked to be audited. The entire purpose of displaying contract data is so County spending can be monitored.

(1) The May and June 2022 Active Contracts list described "Health and Hospitals" (County of Santa Clara Health System, CSCHS) "consulting contract" (contract ID 4300019682) as effective 9/11/2020 to 6/30/24. Pursuant to a Civil Grand Jury request, the Civil Grand Jury was given only portions of contract 4300019150. The County noted that 4300019682 and 4300019150 were one and the same contract because the County Facilities and Fleet Department and CSCHS made separate data entries without consulting each other. A County Supervisor has asked that the project, now delayed, be audited. As of August 2022, the County is negotiating a termination for convenience of 4300019150. As of this report date, the contract is still listed on the Active Contracts list inaccurately as 4300019682. However, the accurate number 4300019150 is not on the Active Contracts list. Of course, all of this confusion makes it nearly impossible for a member of the public to make a Public Records Act request for 4300019150 since that number does not appear.

(2) Grant-writing contract 4300010336 for $165,000 with the term of 7/01/2014 to 6/30/2015 was amended three times before 2018. In June 2018, it was amended a fourth time to extend

the term from 6/30/2018 to 6/30/2019; under the same contract number, however, the contract purpose changed. The same contract was amended a fifth time in 2019 with the same termination date of 6/30/2019, but with associated contract value increases. The County has confirmed that as of this writing, the now multi-million-dollar contract has not been completed. The Active Contracts list does not display active contract 4300010336. After a news article appeared in June 2022 regarding this contract, a County Supervisor asked that the currently unfinished project be audited.

Adopting Additional Data Fields in the ERP

The 2021 Harvey M. Rose Associates, LLC *Management Audit of the County of Santa Clara Procurement Department* report put the County on notice that not all active contracts were visible to the public:

> For a sample of physical contracts, we compared the contract terms, such as expiration dates, to those entered by user department into SAP. We identified significant errors and omissions in the SAP entries. Incorrect entries into SAP caused the Fiscal Year 2018-19 monitoring reports to completely omit about 25% of active contracts.

As of the date of this Civil Grand Jury report, this problem has not been cured.

Recognizing a need to correct the public contract data, in an August 2022 memo to the County Finance and Government Operations Committee, the Procurement Department promised to recruit a compliance manager and to develop a quarterly BOS Contract "spot audit" plan by February 2023. The Civil Grand Jury agrees that this will certainly be a step in the right direction toward a much-needed full audit.

Further, it is not possible, absent a hard copy of the contract, to find the legislative history and contracting authority on the Active Contracts list. Contracting authority gives the purchasing officer the authority to obligate the County or to incur the liability on behalf of the County. Understanding who is the authorized contracting authority is essential in understanding government action. Although contracts approved by the BOS are labeled as "BC," finding the legislative authority and history is currently feasible only through a Public Records Act request or a laborious and often difficult search through BOS minutes. Creating a "BOS Approval Date and ID" field would help steer the public to the applicable BOS minutes, which provide the background and context for the applicable contract expenditure.

The Civil Grand Jury suggests creating additional fields for purposes of the Active Contracts List and the ERP to help mitigate the difficulty in locating the source of the contracting authority for each contract. Suggested new fields to be added to the Active Contracts List are shown in bold below. Fields currently in use are shown in italics.

- **BOS Approval Date and ID**
- **Authorizing agency**
- *Department or Budget Unit*
- *Contract ID Ariba*
- *Contract ID SAP*
- *Vendor Name*
- *Effective Date*
- *Expiration Date*
- *Initial Contract Value*
- **Revised Expiration Date**
- **Version of the Contract**
- **Total Contract Value after Change Orders or Amendments**
- **Detailed Contract Description** *(rather than Commodity Description)*

Similarly, the Civil Grand Jury suggests that new fields be added to the ERP system, which are shown in bold below. These fields would help improve transparency and, depending on the circumstances for disclosure, give the Procurement Department some flexibility when determining whether data captured by these fields should be for public view.

- **Supervisor of Employee who approves the entry**
- **Quality Assurance Employee in Procurement Department who approves all contract data entries**

Contract Data Entry Training for Employees

The Procurement Department plays a major role in County contract management training. A group within Procurement, the "Decentralized Contract Unit," is tasked with training other departments and agencies on how to input contract data. The "eProcurement Division" manages and maintains the department's intranet and internet sites for the County. In February 2021, the Procurement Department created the "Procurement Academy" for training and professional development of County employees. The Procurement Department has produced and published on the County intranet a contract management training manual as well as PowerPoint and video instructional presentations regarding contract management.

However, County employees managing decentralized contracts are not mandated to participate in the above-described training.

Departments managing decentralized contracts work through the County's Chief Executive Officer and Chief Operations Officer on contract matters, not the Procurement Department. The County itself expressed greater confidence in the accuracy of contract data entered directly by the Procurement Department and lower confidence in the accuracy of contract data entered by the decentralized departments.

Room for Improvement

The Civil Grand Jury looked into how other entities disclose contract data and was especially impressed with how the County of San Benito discloses its public contracts using its public website. San Benito allows the public to view their scanned contracts, which include the legislative contracting authority and contract execution date. The Civil Grand Jury recognizes that there is a variety of reasons that prevent the County from being completely transparent, such as trade secret information or nondisclosure agreements. In such situations, portions of the document may be redacted prior to disclosure.

The City and County of San Francisco has a Chief Data Officer whose charge is to coordinate the implementation of open data to assist departments within the City and County of San Francisco with processes to manage their data. The Office of the Chief Data Officer also works closely with the Department of Technology and oversees the well-detailed contract data displayed on the Controller's website.

CONCLUSION

The Civil Grand Jury conclusions, based on independent investigation, are consistent with the Harvey M. Rose Associates, LLC 2021 *Management Audit of the County of Santa Clara Procurement Department* report.

The County of Santa Clara's public reporting of its multi-billion-dollar contract data is not accurate and therefore not transparent. Transparency of County contract data has fallen victim to the classic garbage in, garbage out phenomenon. The public, vendors, and Board of Supervisors cannot see the dollar value of each contract, let alone the annual grand total. The County has been on notice of this deficiency for months. The County has fallen behind professional transparency standards for procurement officers: there is currently no integrity, efficiency, or accountability in Santa Clara County's public contract data.

The County is in the heart of Silicon Valley, where many ERP companies were formed and have thrived. It is ironic that the County has not been able to properly leverage the expertise in its own backyard.

FINDINGS AND RECOMMENDATIONS

Finding 1

The County has not addressed the known inaccuracies of public contract data; neither the public nor the Board of Supervisors can determine, with accuracy, the total value or expiration dates of contracts.

Recommendation 1a

The County should *mandate* (1) contract data accuracy protocols, (2) employee contract management training, and (3) implementation and use of contract management modules in SAP. This recommendation should be implemented by March 15, 2023.

Recommendation 1b

The County should designate and hold one person (akin to San Francisco's Chief Data Officer) responsible for contract data accuracy. This recommendation should be implemented by March 15, 2023.

Recommendation 1c

The County should fully audit (as opposed to a "spot plan audit") and correct the contract database to provide accurate data in the current Active Contracts list. This recommendation should be implemented by March 15, 2023.

Recommendation 1d

The County should continue quarterly accuracy audits on the contract database, documenting statistical evidence of error reduction, until all decentralized department employees are trained on contract management. This should be implemented following the March 15, 2023, date of Recommendation 1c.

Finding 2

The Civil Grand Jury (consistent with the findings from the Harvey M. Rose Associates, LLC 2021 *Management Audit of the County of Santa Clara Procurement Department* report) finds that there is a lack of standardized processes to effectively input and validate contract data; the SAP

and Ariba databases contain many errors and omissions, thereby rendering the Active Contracts list unreliable.

Recommendation 2a

The County should reconcile the Term Contracts list with the Active Contracts list to ensure accuracy and consistency in contract purpose descriptions, before it is distributed and made public. This recommendation should be implemented by March 15, 2023.

Recommendation 2b

The County should centralize the initial input of contract data as much as possible in each department or in one centralized department to mitigate input errors and inconsistencies. Once the contract terms are in the database, the decentralized departments should continue to manage their own contracts. There should be one quality assurance function in the Procurement Department that is responsible for the accuracy of all contract data. This recommendation should be implemented by March 15, 2023.

Recommendation 2c

The County should establish protocols that ensure that data related to amended contracts, including the value, expiration date, or terms of the contract, are accurately inputted into the ERP system with the addition of a data field to be used for version control. This recommendation should be implemented by March 15, 2023.

Recommendation 2d

The County should add new fields to the contract databases, including a field showing an identifier for the person tasked with verifying the accuracy of public contract data. This recommendation should be implemented by March 15 2023.

Recommendation 2e

The County should require that all active contracts are contained on the Active Contracts list and none are hidden from public view. This recommendation should be implemented by March 15, 2023.

Recommendation 2f

The County should post an electronic copy of the actual contracts for public view, ensuring transparency and mitigating human input error. This recommendation should be implemented by June 15, 2023.

Recommendation 2g

To facilitate Public Records Act inquiries, the County should include both the computer-generated number as well as the County's original contract number on the Active Contracts list. This recommendation should be implemented by June 15, 2023.

Recommendation 2h

The County should include new data fields (BOS Approval Date and ID, Authorizing Agency, Revised Expiration Date, Version, Total Contract Value after Change Orders or Amendments, and Detailed Contract Description), as indicated in this report, so that vendors and members of the public may trace the contracting authority and date of action. This recommendation should be implemented by June 15, 2023.

Finding 3

The Civil Grand Jury finds that, although the Procurement Department produced training materials, the County does not mandate that employees participate in the training before entering contract data into ERP systems.

Recommendation 3

The County should require mandatory contract management training for County employees and ensure that satisfactory completion of the training is documented before the employee is allowed to enter contract data into the ERP systems. This recommendation should be implemented by February 28, 2023.

Finding 4

The County failed to fully implement the contract management module of the SAP system purchased a decade ago for millions of dollars. This lapse has prevented the timely integration of contract data from the Ariba and SAP systems, creating incompatibility issues.

Recommendation 4a

The County should insist that the current pilot program regarding contract data at the Social Services Agency contain all the necessary elements to ensure a quality evaluation of the material management module before the process is rolled out to other departments. This recommendation should be implemented by June 15, 2023.

Recommendation 4b

To fully implement and integrate the contract management ERPs, the County should implement the contract management module within SAP for all departments and agencies. This recommendation should be implemented by June 15, 2023.

REQUIRED RESPONSES

Pursuant to California Penal Code § 933(b) et seq. and California Penal Code § 933.05, the 2022 Santa Clara County Civil Grand Jury requests responses from the following:

Responding Agency	Findings	Recommendations
County of Santa Clara Board of Supervisors	1, 2, 3, 4	1a, 1b, 1c, 1d, 2a, 2b, 2c, 2d, 2e, 2f, 2g, 2h, 3, 4a, 4b

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This report was **ADOPTED** by the County of Santa Clara 2022 Civil Grand Jury on this 14th day of December, 2022.

Karen Enzensperger
Foreperson