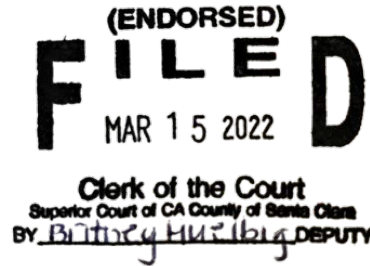# County of Santa Clara

Office of the Clerk of the Board of Supervisors
County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110-1770
(408) 299-5001

Tiffany Lennear
Clerk of the Board

March 10, 2022

The Honorable Theodore C. Zayner
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113

RE: Responses to Civil Grand Jury Final Reports - Property Tax Bills: More Than Meets the
Eye, Measure A Earns An A: Good Management and Oversight Supports
Progress, and Technology Services and Solutions: Have Lessons Been Learned?

Dear Judge Zayner:

At the March 8, 2022 meeting of the County of Santa Clara Board of Supervisors (Item
Nos. 47, 48, and 49), the Board adopted the responses from Administration to the Final Civil
Grand Jury Reports entitled, Property Tax Bills: More Than Meets the Eye, Measure A Earns An
A: Good Management and Oversight Supports Progress, and Technology Services and Solutions:
Have Lessons Been Learned?

As directed by the Board of Supervisors and on behalf of the Board President, our office is
forwarding to you the enclosed copy of the responses to the Final Grand Jury Reports. The
responses constitute the responses of the Board of Supervisors, consistent with provisions of
California Penal Section 933(c).

If there are any questions concerning this issue, please contact our office at (408) 299-5001 or by
email at boardoperations@cob.sccgov.org.

Sincerely,

Tina Purpura
Deputy Clerk, Board of Supervisors
County of Santa Clara

Enclosures

## MEMORANDUM

| | |
|---|---|
| **DATE:** | February 10, 2022 |
| **TO:** | Miguel Márquez, Chief Operating Officer |
| **FROM:** | Imre Kabai, Chief Information Officer |
| | Gene Clark, Chief Procurement Officer |
| **SUBJECT:** | Response to Santa Clara County Civil Grand Jury Final Report: Technology Services and Solutions: Have Lessons Been Learned? |

The Santa Clara County Civil Grand Jury's Final Report, Technology Services and Solutions: Have Lessons Been Learned? contained multiple findings and recommendations that require a response from the County of Santa Clara (County). This memo contains the joint response from Technology Services and Solutions (TSS) and Procurement.

### Finding 1:
*TSS failed to recognize significant warning signs from staff and CalEQRO reports in its effort to link two systems from separate vendors. As a result, the system was not able to process Medi-Cal claims. Furthermore, the system did not satisfy federal privacy and state reporting requirements. This led to delays in billing, unanticipated additional work for County staff, and finally, a redesign of the system.*

### Response:
The County agrees with this finding.

### Recommendation 1:
*When undertaking a new project, the County should add a requirement for a high-level feasibility analysis during the initial planning phase. In most cases, the analysis should include a survey of how other counties and organizations, with an emphasis on counties and organizations of a similar size solved the problem. If no organization has used the approach being considered, explicit risk mitigation steps should be added to the project plan, and schedules and budgets should be adjusted accordingly. Resources such as CalEQRO and other state or independent auditors should be fully utilized to assess these risks. The County should develop a plan to establish these practices by June 30, 2022.*
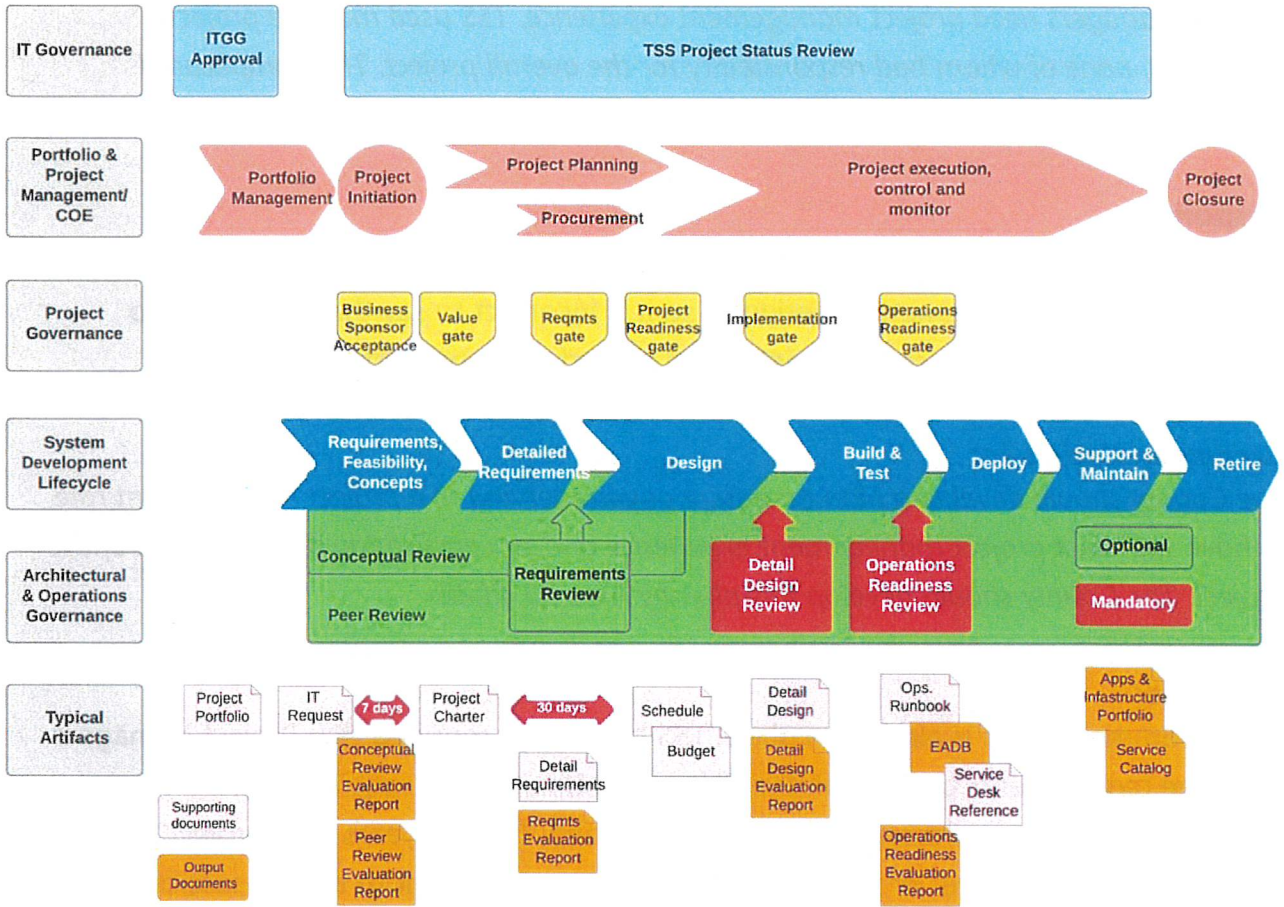
**Response:**

This recommendation has been implemented. New and improved processes as well as organizational structures have been put into place by TSS, and all projects that have started since January 2022 have been following the new process. All TSS projects go through a Conceptual/Requirements Review and a Design Review performed by the Technical Architecture Team. The objectives of the review are to ensure the following:

- Feasibility of design considering technological, financial, and organizational constraints
- Quality of the requirements
- The proposed design meets the requirements in the most efficient way
- All the technical elements of the design are traceable to the requirements
- Alternative technology concepts were considered and compared to each other
- All cost elements have been considered (total cost of ownership, capital/operational)
- Viability on a multi-year time scale
- Operational quality and supportability
- Alignment with the Enterprise Technology Strategy
- The delivery of clear business value
- The designed solution is user friendly and intuitive
- Steps were taken to address testing and organizational change management needs
- Alignment with IT Principles, Standards, and Technology Roadmaps
- The design considers risks and compliance
- Data confidentiality, privacy, availability, and integrity
- System Integration and establishing interface controls
- Identity and access management
- Complete, high quality solution documentation

The Project Team presents the proposed solution, along with the relevant artifacts, to the Architecture Review Board for recommendations and approval. Once approved, Proof of Concepts and Pilots are used to ensure the solution has been proven for utilization. Please see the process overview below:

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|---|---|---|
| **IT Governance** | **ITGG Approval** | **TSS Project Status Review** |

| | |
|---|---|
| **Portfolio & Project Management/ COE** | Portfolio Management · Project Initiation · Project Planning · Procurement · Project execution, control and monitor · Project Closure |

| | |
|---|---|
| **Project Governance** | Business Sponsor Acceptance · Value gate · Reqmts gate · Project Readiness gate · Implementation gate · Operations Readiness gate |

| | |
|---|---|
| **System Development Lifecycle** | Requirements, Feasibility, Concepts · Detailed Requirements · Design · Build & Test · Deploy · Support & Maintain · Retire |

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|---|---|
| **Architectural & Operations Governance** | Conceptual Review · Requirements Review · Peer Review · Detail Design Review · Operations Readiness Review · Optional · Mandatory |

| | |
|---|---|
| **Typical Artifacts** | Project Portfolio · IT Request · 7 days · Project Charter · 30 days · Schedule · Detail Design · Ops. Runbook · Apps & Infastructure Portfolio · Conceptual Review Evaluation Report · Detail Requirements · Budget · Detail Design Evaluation Report · EADB · Service Catalog · Supporting documents · Peer Review Evaluation Report · Reqmts Evaluation Report · Service Desk Reference · Output Documents · Operations Readiness Evaluation Report |

***Finding 2:***
*TSS did not follow project management best practices. There was no requirement that the project managers need project management experience. TSS used multiple project managers, none of whom had responsibility for the overall project. This complicated coordination and decision making.*

**Response:**
The County disagrees partially with this finding. The TSS project managers were selected for their project management experience, so it is incorrect to say that there was no requirement that the project managers need project management experience.

***Recommendation 2a:***
*The County should develop a plan to require anyone serving in a project management role to have sufficient project management experience and/or certification for the nature of the project. The County should develop this plan by June 30, 2022.*

**Response:**
This recommendation is already in place. TSS has always required that Project Managers meet the requirements outlined in the IT Project Manager job specification, which specifically requires a relevant Bachelor's degree and "Five (5) years of IT project management experience" or training and experience equivalent to the possession of a Bachelor's degree and "Seven (7) years of IT project management experience, including experience with Microsoft Office Suite of products." The IT Project Manager job specification can be found at:

https://www.governmentjobs.com/careers/santaclara/classspecs/1292485

***Recommendation 2b:***
*The County should develop a plan to require that each project have a single overall project manager who has relevant project management experience or certification. The plan should be established by June 30, 2022.*

**Response:**
This recommendation is already in place. All TSS projects are staffed with a single project manager who possesses the necessary qualifications.

***Recommendation 2c:***
*If a project requires additional project managers, then the County should require a clear*

*organizational structure that facilitates coordination and decision-making. The County should develop a plan to establish these requirements by June 30, 2022.*

**Response:**
This recommendation has been implemented. Netsmart was a complex program that involved a collection of multiple, interrelated projects each with its own assigned project manager. Going forward, for all such programs, TSS will assign an IT Program Manager (or equivalent) for overall program oversight. The program charter will include the team members and the organizational structure along with their roles and responsibilities to better facilitate coordination, decision-making and escalation paths. This is already in effect for new programs such as the Public Health Grant program, and the Netsmart Contract Provider Rollout with Netsmart.

### Recommendation 2d:
*The County should verify that project managers follow the best practices defined by the County's own Project Management Center of Excellence. The County should monitor all projects and verify that all required items listed in the Governance Gates Checklist are completed by the project manager and approved by the executive responsible for the project. The County should verify the completion of required items for existing projects and should develop a plan to monitor compliance with the County's own Project Management Center for Excellence criteria for current and future projects by June 30, 2022.*

**Response:** This recommendation will be implemented by June 30, 2022. The TSS Project Management Center of Excellence was established in August 2020. Since then, the County has put in place additional project management policies, processes, and tools. For all new projects, project managers are following the processes established by the Project Management Center of Excellence, and completing the required items listed in the Governance Gates Checklist

### Finding 3:
*TSS did not have a process in place to prove that the new EHR system would work prior to deployment. TSS did not adequately test the integration of the HealthLink and Netsmart system before releasing it to Behavioral Health clinics. Management placed primary emphasis on meeting the project schedule rather than supporting a gradual system rollout. This led to halting the submission of Medi-Cal claims, which threatened the loss of tens of millions of dollars.*

**Response:**

The County agrees with this finding.


***Recommendation 3a:***

*The County should develop a plan to require documenting user acceptance testing criteria at the start of a project. The testing should involve applicable clerical staff, with testing done in their work environment when possible. The schedule for this testing should account for staff availability. The County should develop this plan by June 30, 2022.*


**Response:**

This recommendation has been implemented. A user acceptance testing plan was created and executed during the project execution phase for all new projects that have started since January 2022.


***Recommendation 3b***

*The County should develop a plan for situations where the user acceptance testing cannot be done in the users' work environment. This can, for example, call for releasing the system to a subset of a department's staff before releasing it to an entire department. The County should develop this plan by June 30, 2022.*


**Response:**

This recommendation has been implemented. New projects will go through a Conceptual/Requirements Review and a Design Review performed by the Architecture Team. This includes the steps taken to address testing and organizational change management. The Architecture Team will provide advice on necessary testing to reduce risks. The Project Management Office, through the Transition Stage Gate, will ensure that prescribed tests have been conducted. Please see the response to Recommendation 1 above for more details.


***Finding 4***

*TSS and Behavioral Health were not sufficiently engaged in the contract negotiations with Netsmart for the May 2019 agreement. Lacking detailed input from project management on resources and scheduling for the analysis and training work, Procurement eliminated these tasks from the agreement. This elimination contributed to delays and required the subsequent negotiation of three additional agreements to address these shortcomings.*

**Response:**

The County agrees with this finding.

### Recommendation 4a

*To ensure that Procurement is prepared to negotiate with vendors, the County should develop a plan that requires an analysis of technical staff needed to complete and deploy the project. This plan should include escalation procedures to be followed when Procurement is not provided the information it needs. The County should develop this plan by June 30, 2022.*

**Response:**

This recommendation will be implemented by June 30, 2022. The Procurement Director will prepare a negotiation plan in collaboration with project sponsors and other relevant departments. This will include analysis of technical staff needed to complete and deploy the project, where appropriate. Senior management of the County will be consulted if the Procurement Department is not initially provided the information it needs to prepare an effective and complete negotiation plan.

### Recommendation 4b

*When the County intends to have County staff train their colleagues on how to use a new system, the County should first determine if staff is available to do the training. If staffing is not available, either additional consultant support must be included in the agreement negotiated with the vendor or the project schedule should be revised. The County should develop a plan for this scenario by June 30, 2022.*

**Response:**

This recommendation will be implemented by June 30, 2022.

### Recommendation 4c:

*The County should investigate the feasibility of negotiating vendor contracts that include a bonus for on-time and successful completion of all parts of an IT project, even if the vendor is not responsible for them. This would incentivize outside vendors to provide TSS project management with complete information about what is needed from all parties to bring projects to successful conclusions. The County should report on its investigation of this approach by June 30, 2022.*

**Response:**
The County will investigate the feasibility of negotiating vendor contracts that include a bonus for on-time and successful completion of all parts of an IT project.

***Finding 5:***
*TSS underestimates the amount of future work necessary to support integrating the contract providers' EHRs with the County's Netsmart system. There is a risk that if the transition team is not properly staffed, there will be further delays and the work done by contract provider clinics will be disrupted.*

**Response:**
The County agrees with this finding.

***Recommendation 5a:***
*The County should conduct a risk assessment to identify threats to the objectives of the ongoing project. Potential responses to those risks should be captured in a risk management plan for this project. The County should develop a plan that evaluates the future risks of this project by June 30, 2022.*

**Response:**
This recommendation has been implemented. For all new TSS projects that have started since January 2022, project managers are following the processes established by the Project Management Center of Excellence, and this includes a risk management plan. For the Netsmart rollout to the contract providers, the County is engaging an external management consultant to do a risk assessment looking at staffing, schedule, rollout plan, training, etc.

***Recommendation 5b:***
*The County should develop a plan to ensure that contract providers are informed as decisions are made about what work needs to be done by the contract providers, what work will be done by the County, who will pay for the work, and when the work will be scheduled. The County should develop the plan by June 30, 2022.*

**Response:**
This recommendation has been implemented. TSS met with the Business Department to develop a communication plan that addresses these concerns. The communication plan includes a RACI Chart (Responsible, Accountable, Consulted, Informed), to define roles and responsibilities, along with timelines specifying who is responsible for each task and when.

The Project Manager is the single point of contact responsible for developing and managing this communications plan as well as sharing and communicating it to all relevant stakeholders.