

# Chapter 26

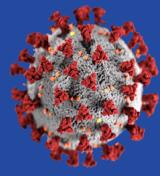
## Contracting and Procurement

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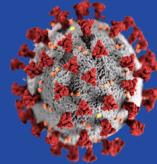
# CDPH COVID-19 After Action Report

## Chapter 26 – Contracting and Procurement

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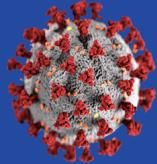
### Version History

Version #	Date	Notes
0.1	06/26/2023	First draft submitted to CPR Team
0.2	07/19/2023	Final Draft revised per review by CPR Leadership and Team
0.3	02/5/2024	Final Draft revised per Expert Review



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## 26. Contracting and Procurement

Public Health Emergency Preparedness and Response Capabilities: Community Recovery; Emergency Operations Coordination.

Related CDPH AAR Chapters: Fiscal Administration; Legal Administration; Medical Surge; Enterprise Technology; Testing.

In this chapter, some abbreviations may be used interchangeably with their respective full spellings for ease of reading.

### Chapter Summary

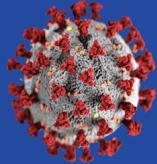
#### Overview

This section provides a high-level overview of milestones and activities related to this chapter.

In March 2020, the Governor issued an Executive Order, which authorized state agencies to use various emergency powers to respond to the pandemic, including emergency contracting authority. CDPH designated a COVID-19 Emergency Procurement Officer to oversee COVID-19 emergency contracts with the authority to negotiate on behalf of CDPH and make critical decisions. CDPH also established a dedicated team of approximately 20 attorneys from the Office of Legal Services (OLS) to support contracting and procurement activities. Working collaboratively, the Emergency Procurement Officer and OLS attorneys played a pivotal role to identify suitable vendors, negotiate fair prices, and strategically acquire goods and services to meet the urgent needs of the pandemic.

The Governor's Executive Order expedited the procurement process by suspending the competitive bidding requirements for COVID-19 related state contracts. This allowed CDPH the authority to directly choose and negotiate with a single vendor, bypassing the ordinarily lengthy bidding process. As a result, the time needed for procurement was significantly reduced, taking only hours for straightforward contracts and a few days for more complex ones. This accelerated process substantially enhanced CDPH's ability to rapidly acquire lifesaving goods and services, which were concurrently in high demand by other states and countries worldwide.

The CDPH Emergency Preparedness Office, which later reorganized into the Center for Preparedness and Response (CPR) in February 2023, managed the contract preparation, encumbrance, and invoice payment processes with



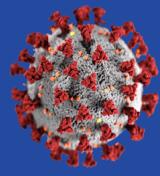
support from accounting and budgets staff from the CDPH Administration Division. As of Spring 2023, the team had executed 342 COVID-19 emergency contracts and 741 emergency-related purchase orders. For these emergency contracts and purchase orders, the team processed 7,622 invoices during this same time period. As discussed in this chapter, accounts payable staff faced significant challenges with invoice accuracy and documentation for the invoices processed over the course of the pandemic.

CDPH rapidly developed new processes to obtain reimbursement of the costs of COVID-19 testing and for contract staffing. To be reimbursed for its testing costs, CDPH invoiced for COVID-19 tests processed at the State's testing facility, the Valencia Lab, that launched in November 2020. CDPH leveraged its prior experience with the Genetic Disease Screening Program to implement billing processes. As of Spring 2023, CDPH billed for over 1.8 million tests, recovering approximately \$158.2 million from direct billings, insurance plans, and the federal [Health Resources and Services Administration \(HRSA\) COVID-19 Uninsured Program](#).

CDPH, in collaboration with the California Emergency Management Services Agency (EMSA) also established a process to obtain reimbursement of the costs of contract staffing. In March 2020, CDPH initiated contracts with staffing agencies to increase healthcare facilities' capacity, initially deploying several hundred supplemental staff, which later surged to thousands of contract staff by December 2020 due to increasing COVID-19 cases. After providing staffing services, the staffing agencies submitted invoices for payment to CDPH, leading to the processing and payment of over 5,000 contract staffing invoices, some of which were processed by CPR and some by CDPH programs.

Normally, CDPH executes a contract and the information is entered into FI\$Cal to encumber the funds against an identified funding source. However, during the COVID-19 pandemic, contracts were executed prior to the identification of a funding source, so the contract funds could not be encumbered in FI\$Cal. The existing financial systems were not designed to adequately support the fiscal and contract management requirements during the COVID-19 crisis.

Consequently, due to system limitations and a cumbersome coding structure, the State's financial management system, FI\$Cal, could not accurately portray encumbrances and expenditures by their actual funding sources. Therefore, staff primarily relied on Excel spreadsheets for most contracting and procurement activities.

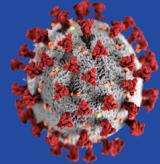


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For further discussion of financial management activities and reimbursement of costs from the Federal Emergency Management Agency refer to the Fiscal Administration chapter in this AAR.

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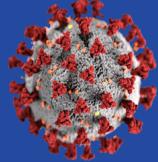
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### Timeline and Key Milestones

2020	
<b>Spring 2020</b>	<ul style="list-style-type: none"><li>▶ <b>March 4:</b> Governor declares state of emergency</li><li>▶ <b>March:</b> CDC begins using existing Epidemiology and Laboratory Capacity for Prevention and Control of Emerging Infectious Diseases (ELC) Cooperative Agreement to fund COVID-19 public health efforts</li><li>▶ <b>March 5:</b> Crisis Response Cooperative Agreement Grant funded through March 2023</li><li>▶ <b>March 6:</b> Federal Coronavirus Preparedness and Response Supplemental Appropriations Act (HR 6074) enacted</li><li>▶ <b>March 13:</b> President declares national emergency</li><li>▶ <b>March 18:</b> Federal Families First Coronavirus Response Act (HR 6201) enacted</li><li>▶ <b>March 22:</b> President approves a major disaster declaration for California</li><li>▶ <b>March 25:</b> Governor transfers \$1.3 billion to the State's Disaster Response Emergency Operations Account (DREOA), a subaccount of the Special Fund for Economic Uncertainties (SFEU)</li><li>▶ <b>March 27:</b> Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (HR 748) enacted, which establishes the Coronavirus Relief Fund</li><li>▶ <b>April 23:</b> CDC ELC CARES Cooperative Agreement Grant funded through December 2022</li><li>▶ <b>April 24:</b> Federal Paycheck Protection Program and Health Care Enhancement Act (HR 266) enacted</li><li>▶ <b>May 18:</b> CDC ELC Enhancing Detection Grant funded through July 2024</li><li>▶ <b>May 21:</b> Governor transfers \$1.8 billion to DREOA</li></ul>
<b>Summer 2020</b>	<ul style="list-style-type: none"><li>▶ <b>July 1:</b> California 2020-21 State Budget enacted; included funds set aside in reserve for SFEU</li><li>▶ <b>July 1:</b> First round of CDC Immunization and Vaccines for Children Grants funded through June 2024</li><li>▶ <b>August:</b> CDPH forms the COVID-19 Fiscal Task Force</li></ul>
<b>Fall 2020</b>	<ul style="list-style-type: none"><li>▶ <b>September:</b> CDPH begins developing estimates for the FY 2021-22 Governor's Budget</li></ul>

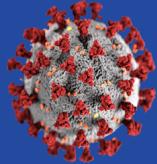


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<b>Winter 2020/2021</b>	<ul style="list-style-type: none"><li>▶ <b>November 23:</b> Governor transfers \$1.5 billion to DREOA</li><li>▶ <b>December:</b> California Department of Finance launches web portal for State departments to track Federal stimulus awards, encumbrances, and expenditures</li><li>▶ <b>December:</b> Federal Coronavirus Response and Relief Act (HR 133) enacted</li><li>▶ <b>December:</b> Federal Consolidated Appropriations Act of 2021 enacted</li><li>▶ <b>December 16:</b> Second round of CDC Immunization and Vaccines for Children Grants funded through June 2022</li><li>▶ <b>January 15:</b> Third round of CDC Immunization and Vaccine for Children Grants funded through June 2024</li><li>▶ <b>February 24:</b> Governor transfers \$2 billion to DREOA</li><li>▶ <b>February:</b> CDPH begins developing estimates for the May Revision of the State 2021-22 budget</li></ul>
<b>2021</b>	
<b>Spring 2021</b>	<ul style="list-style-type: none"><li>▶ <b>March:</b> Federal American Rescue Plan Act (ARP Act) enacted</li><li>▶ <b>May:</b> Governor issues May Revision of the State 2021-22 budget</li><li>▶ <b>June 1:</b> Fourth round of CDC Immunization and Vaccines for Children grants funded through June 2024</li></ul>
<b>Summer 2022</b>	<ul style="list-style-type: none"><li>▶ <b>June 23:</b> Governor transfers \$1.1 billion to DREOA</li><li>▶ <b>July 1:</b> CDC Workforce Development Grant funded through June 2023</li><li>▶ <b>July:</b> State 2021-22 Budget Act enacted</li><li>▶ <b>August:</b> CDPH begins developing estimates for the Governor's 2022-23 State Budget</li></ul>
<b>2022</b>	
<b>Winter 2022</b>	<ul style="list-style-type: none"><li>▶ <b>February:</b> CDPH begins developing estimates for the May Revision of the State 2022-23 budget</li></ul>
<b>Spring 2022</b>	<ul style="list-style-type: none"><li>▶ <b>May:</b> Governor issues May Revisions of the State 2022-23 budget</li></ul>
<b>Summer 2022</b>	<ul style="list-style-type: none"><li>▶ <b>July:</b> State 2022-23 Budget Act enacted</li><li>▶ <b>August:</b> CDPH begins developing estimates for the Governor's 2023-24 State Budget</li></ul>
<b>2023</b>	
<b>Winter 2023</b>	<ul style="list-style-type: none"><li>▶ <b>February 28:</b> Governor ends state of emergency in California</li></ul>
<b>Spring 2023</b>	<ul style="list-style-type: none"><li>▶ <b>May 11:</b> President ends the federal public health emergency declaration</li></ul>



## Main Strengths and Successes

This section describes the Main Strengths and Successes, including findings and corrective actions, related to this chapter. Further elaboration and a more detailed discussion of these strengths and successes can be found in the Analysis of Activities section.

### **1. The Governor's Executive Order waiving the competitive bidding process allowed CDPH to rapidly acquire goods and services during a time of extreme scarcity.**

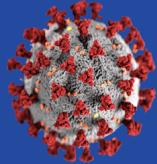
The Governor's Executive Order streamlined the procurement process by giving CDPH the authority to directly select and negotiate a contract with a single vendor. This bypassed the lengthy competitive bidding process to shorten the procurement time from several months to mere hours (for straightforward contracts) or a few days (for more complex contracts). The expedited process greatly facilitated CDPH's ability to rapidly acquire scarce goods and services that were also being simultaneously sought after by other states and other nations around the globe.

Finding/Corrective Action: CDPH has the opportunity to document its emergency contracting and procurements processes for future responses and identify what processes can be leveraged to improve regular business operations. (ID: Contracting and Procurement 1)

See related Findings “Med Surge 1” in the Medical Surge chapter of this AAR and “Enterprise Tech 3” in the Enterprise Technology chapter of this AAR.

### **2. The State granted authority to the COVID-19 Emergency Procurement Officer to execute and negotiate contracts on CDPH's behalf, allowing CDPH to effectively and efficiently acquire goods and services to address the emergency response.**

During the first month of the pandemic, the State designated a COVID-19 Emergency Procurement Officer to oversee and provide focused leadership over CDPH's emergency contracting and procurement processes. The Emergency Procurement Officer actively participated in high-level meetings with the Governor's Office, CalHHS, and CDPH leadership, which provided a comprehensive understanding of the resources needed to address the emergency response. With the



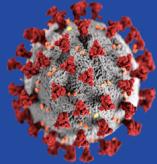
authority to negotiate on behalf of CDPH and make critical decisions, the Emergency Procurement Officer played a pivotal role in identifying suitable vendors, negotiating fair prices, and strategically acquiring goods and services to meet the urgent needs of the pandemic. The direct authority given to the Emergency Procurement Officer to contract with vendors proved invaluable and allowed the State to acquire essential resources that may have otherwise been unattainable or back ordered.

Finding/Corrective Action: In future pandemic responses, CDPH should establish an Emergency Procurement Officer (or similar role) who has procurement training, decision-making authority and responsibility to oversee emergency contracting and procurement processes. (ID: Contracting and Procurement 2)

**3. CDPH established effective communications and collaborative relationships with other California state departments to successfully expedite contracts and payment processing.**

CDPH's contracting and procurement team established strong relationships with key entities including the California Department of General Services (DGS), the California Department of Finance (DOF), and the State Controller's Office (SCO). This coordination proved instrumental to expedite contract processing, identify funding sources for contracts, and promptly pay invoices. Due to the urgent need to procure emergency services and supplies, the COVID-19 Emergency Procurement Officer negotiated with vendors at a fast pace and the team worked with DGS to quickly finalize the negotiated terms into contracts. Simultaneously, CDPH met regularly with DOF to secure emergency funding and identify potential funding streams. To obtain more favorable pricing, the COVID-19 Emergency Procurement Officer sometimes negotiated contracts that incorporated shorter payment terms (e.g., within 10 or 15 days of invoice receipt), deviating from the standard 45-day period. Consequently, the team partnered with the SCO to expedite payment processing to meet the payment terms whenever necessary.

Finding/Corrective Action: CDPH should build on the communication and collaboration with partner agencies and collectively identify



opportunities to improve its ongoing contracting and procurement activities. (*ID: Contracting and Procurement 3*)

See related Finding “Fiscal 2” in the Fiscal Administration chapter of this AAR.

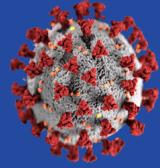
**4. CDPH developed an innovative encumbrance solution to manage its available emergency funds within the authorized appropriation limit.**

State agencies must encumber the total cost of a contract against an identified funding source(s), which reserves the funds that will eventually be used to pay for the goods and services. However, the urgency to procure pandemic-related goods and services compelled CDPH to execute contracts before identifying a funding source with an authorized appropriation. In 2020, CDPH encountered “budget tolerance,” in which available funding reached the limit specified by the authorized appropriation. To manage cash flows more effectively, the team implemented an innovative “dollar purchase order” process. Initially, one dollar was encumbered to establish a contract, with additional funds encumbered as invoices were received. This strategy freed substantial funds that were previously encumbered for the full contract amount. During discussions with the SCO to fine-tune the “dollar purchase order” approach, one SME noted that the SCO acknowledged the innovative resolution of the “budget tolerance” issue and commended CDPH for this creative solution.

Finding/Corrective Action: CDPH successfully implemented an innovative encumbrance approach to manage the allocation and utilization of emergency funds that can be replicated in future pandemics. (*ID: Contracting and Procurement 4*)

**5. CDPH leveraged its existing billing experience to successfully obtain reimbursement for COVID-19 tests processed through the Valencia Lab.**

In November 2020, CDPH established the Valencia Branch State Public Health Laboratory (Valencia Lab) for COVID-19 testing. Collection site entities, such as counties, schools, and community-based organizations, collected and sent samples to the lab. The State paid for the upfront costs, including test kits, shipping, lab analysis, software, site support, and courier services. Then CDPH recouped the costs by billing collection site



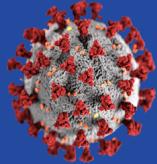
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entities directly or by billing the tested individual's health insurer. To design and implement the billing and reimbursement for tests conducted at the Valencia Lab, CDPH leveraged its existing experience and vendor relationships deployed for another public health program, the CDPH Genetic Disease Screening Program. This approach proved effective as CDPH billed for nearly two million COVID-19 tests and has so far recovered approximately \$81 million from collection site entities and insurance plans as of Spring 2023.

Finding/Corrective Action: CDPH should document the processes and procedures used for billing and receiving reimbursements from collection site entities and health insurers, which can be utilized in future pandemics. (*ID: Contracting and Procurement 5*)

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## Main Challenges and Lessons Learned

This section describes the Main Challenges and Lessons Learned, including findings and corrective actions, related to this chapter. Further elaboration and a more detailed discussion of these challenges and lessons learned can be found in the Analysis of Activities section.

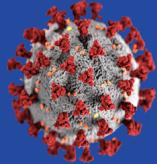
### **6. CDPH lacked staff resources with accounts payable expertise to support its COVID-19 contract administration responsibilities.**

When the pandemic began CDPH did not assign additional staff to process COVID-19 emergency contract invoices. Instead, one staff member in the CPR Resource Management unit, supported by existing accounts payable staff within CDPH's Administration Division, handled the coordination of emergency contract accounts payable. However, it quickly became evident that the existing staff could not manage the growing workload, especially when some invoices needed to be paid in less than 45 days. Moreover, CDPH could not use contractors to help with this type of work due to policies prohibiting them from processing encumbrances and invoices. To address the increased workload, CDPH rotated in staff from other units for three-month periods. Since these staff often had limited familiarity with accounts payable processes, they were typically assigned specific tasks. For future pandemics, several SMEs recommended that CDPH leadership consider establishing an experienced core team dedicated to handling emergency-related accounts payables.

Finding/Corrective Action: CDPH has the opportunity to review the contracting and procurement resources that were needed to support the COVID-19 response to forecast future needs. Recognizing the criticality of contracting and procurement during emergencies, CDPH can plan for and secure funding for the staff needed to support this essential function. (ID: Contracting and Procurement 6)

### **7. Program managers lacked training to review invoices and supporting documentation, which resulted in extensive coordination with the accounts payable team to reconcile and correct requests for payments.**

For each contract, CDPH designated a program manager to oversee the vendor's contract. The program manager was responsible for



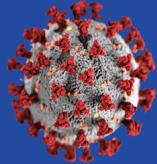
reviewing the vendor's invoices for accuracy and confirming the receipt of supporting documentation. Some invoices were up to 500 pages long and summarized activities for potential FEMA reimbursement. However, due to insufficient training, many of the program managers were not familiar with invoice requirements and often missed invoice deficiencies and discrepancies in their review. This resulted in invoices submitted to the accounts payable team that were incorrectly formatted, exceeded SCO's page limit, had inaccurate purchase order numbers, or listed incorrect balances. The accounts payable team then had to send the invoice back to the program manager for correction. Also, the program managers did not have access to FI\$Cal, and as a result the accounts payable team had to constantly run financial reports for them. These challenges imposed an additional burden on the accounts payable team, who, in order to successfully process payment, devoted substantial time to reconciling, correcting, and returning invoices as well as coordinating with the program managers.

Finding/Corrective Action: CDPH has the opportunity to document its accounts payable processes for emergency contracts and develop a playbook with department-wide protocols to ensure that program managers review invoices and supporting documentation for compliance with submission requirements. CDPH should also consider providing CDPH program staff that manage contracts access to FI\$Cal. (ID: Contracting and Procurement 7)

**8. Some service contracts did not require vendors to provide activity data to justify the costs of their invoices, which impacted CDPH's ability to recover costs through the FEMA reimbursement process.**

Due to urgent life-or-death procurement needs, there was sometimes insufficient opportunity for CDPH to prepare a comprehensive scope of work in solicitations for services, which is typical in the standard competitive bidding process. Rather, CDPH often developed a high-level outline of the services scope of work that was provided to the vendor(s). Due to this approach, some service contracts did not include requirements for the vendor to provide reports and/or COVID-19 activity data to justify FEMA reimbursement for the cost in their invoices.

Ultimately, while this approach expedited contracting and procurement processes for services, it also negatively impacted CDPH's ability to recover costs through FEMA's Public Assistance Program reimbursement

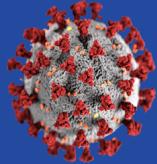


process, since granular service details are often required for reimbursement. As CDPH's FEMA reimbursement team prepared to close out a project, FEMA often requested detailed service and activity information that CDPH had not required its service contractors to provide. For example, several years after the services were performed FEMA requested patient-level diagnostic information to justify reimbursing the COVID-19 costs for contracted health care clinicians. For further discussion of the FEMA reimbursement process, refer to the Fiscal Administration chapter in this AAR.

Finding/Corrective Action: CDPH should develop model emergency service contract language to be used in future emergencies. This language should stipulate the requirements for invoice submission and justification of costs, with consideration of the additional information required by FEMA for reimbursement, such as reporting on key demographic populations served, volume information on the type of services provided, and other data pertinent to the emergency activities performed. (*ID: Contracting and Procurement 8*)

**9. Initially, the State did not collect identification information from individuals who submitted samples to the Valencia Lab for COVID-19 testing. This hindered CDPH's ability to recover costs for the uninsured.**

For uninsured individuals who submitted samples for COVID-19 testing at the Valencia Lab, CDPH sought reimbursement for the costs through the federal [Health Resources and Services Administration \(HRSA\) COVID-19 Uninsured Program](#). To recover these costs, CDPH had to verify the individual's uninsured status. However, confirming the uninsured status of individuals was challenging due to the initial lack of adequate identification information collected during registration at the collection site. For example, individuals were not initially required to provide a driver's license number or state identification number, which would have helped confirm their uninsured status. The State made a conscious decision to not collect this information at registration to reduce barriers for individuals to get tested, particularly undocumented individuals who might have been concerned that providing this information would impact their immigration status. Recognizing the need to confirm uninsured status of tested individuals for cost recovery purposes, approximately six months after the November 2020 launch of the Valencia Lab, the registration software vendor introduced an



identification question on the registration form, significantly improving the State's ability to verify individuals' uninsured status.

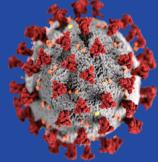
Finding/Corrective Action: CDPH has the opportunity to develop a solution to collecting information about insurance status without creating additional barriers to testing access to ensure that the data needed for cost recovery is captured and documented at a sufficient level of detail to meet the federal government's reimbursement requirements. (*ID: Contracting and Procurement 9*)

**10. FI\$Cal did not fully support CDPH's needs to monitor and manage appropriations, encumbrances, invoices, payments, and reimbursements. This caused staff to create spreadsheets to manage most of their work.**

The State's financial information system, FI\$Cal, proved inadequate in supporting CDPH's procurement, contracting, accounts payable, and reimbursement needs. SMEs found FI\$Cal cumbersome to use due to its complex cost reporting coding and difficult-to-understand reports. Due to CDPH's immediate need to use temporary codes for expenditure transactions, FI\$Cal reports did not accurately portray encumbrances and expenditures by their true funding source. Consequently, teams resorted to using spreadsheets for administrative tasks. As a result, CDPH lacked a consolidated source of information that comprehensively represented the financial status with integrated contract details, authorized appropriations, encumbrances, invoices, and payments.

Finding/Corrective Action: CDPH should consider maintaining an administrative tracking system to better support its interim tracking prior to determining the encumbrance source. (*ID: Contracting and Procurement 10*)

See related Finding "Fiscal 6" in the Fiscal Administration chapter of this AAR.



## Analysis of Activities

This section elaborates and provides more detail on the findings, corrective actions, and lessons learned that are presented in the Main Strengths and Successes and the Main Challenges and Lessons Learned sections.

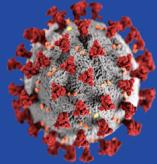
### Procurement

#### **Governor's Executive Order Provided CDPH Emergency Contracting Authority**

- On March 4, 2020, Governor Newsom declared a state of emergency for California due to the COVID-19 pandemic. This emergency declaration authorized state agencies to use various emergency powers to respond to the pandemic, including emergency contracting authority. This authority allowed state agencies to arrange for the procurement of materials, goods, and services needed to prepare for, contain, respond to, mitigate the effects of, and recover from the spread of COVID-19. Additionally, the declaration temporarily suspended competitive bidding requirements for state contracts, allowing CDPH to directly negotiate with a preferred vendor(s) and enter into a contract without the need for competitive bids.

#### **CDPH Designated a COVID-19 Emergency Procurement Officer and Team of Attorneys to Negotiate and Execute Contracts**

- In late March 2020, CDPH designated a COVID-19 Emergency Procurement Officer to negotiate with vendors and execute contracts on CDPH's behalf. For this role, CDPH selected a highly experienced retired annuitant with extensive knowledge of the State's procurement and financial administration processes, as well as CDPH's internal operations. The Emergency Procurement Officer actively participated in meetings with the Governor's Office, CalHHS, and CDPH leadership, gaining insight into the strategic direction of the COVID-19 response.
- CDPH also established a dedicated team of approximately 20 attorneys from the CDPH Office of Legal Services (OLS) to support contracting and procurement activities. Under the guidance of CDPH's Chief Counsel, this team convened daily to identify urgent COVID-19-related issues that needed legal support. Collaborating closely with the Emergency Procurement Officer, the team prioritized assignments and designated lead attorneys to handle contract development and negotiations.
- Initially, from March through May 2020, the OLS attorneys' work focused on contracts related to the medical surge, encompassing the procurement of personal protective equipment (PPE), securing additional

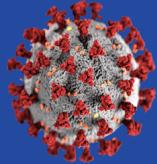


facilities to enhance hospital capacity, and establishing medical staffing agreements. However, the scope of their work rapidly expanded to include contracts for information technology projects, vaccination clinics, mobile testing sites, virtual telehealth, and other critical contracts essential for the emergency response. To monitor their assignments efficiently, OLS maintained a comprehensive spreadsheet detailing the status of contracts, ongoing issues, and the progress of each assignment.

- Many of the attorneys assumed roles they had never encountered before, according to one SME. While this presented an unavoidable challenge at the time, they rose to the occasion. Despite lacking specific domain knowledge, the attorneys promptly immersed themselves in learning about the specific products or services they were procuring. Moreover, they proactively reached out to stakeholders who possessed the necessary expertise (e.g., Cal OES for emergency contracting procedures, the Department of General Services for facilities contracts and leasing agreements, the California Department of Technology for information technology contracts, and the California Department of Healthcare Services for medical contracts). Their commitment to acquiring the required knowledge and collaborating with knowledgeable stakeholders enabled them to navigate this unique situation successfully.

## **Emergency Contracting Authority Streamlined the Procurement Process**

- The emergency declaration streamlined the procurement process by granting CDPH the authority to directly select and negotiate a contract with a single vendor, bypassing the normal competitive bidding process that can span many months. Once the Governor's Office, CalHHS, CDPH leadership, or one of the various COVID-19 Task Forces determined the need to procure goods or services, the Emergency Procurement Officer identified a suitable vendor that could deliver the goods or services on a large scale. The Emergency Procurement Officer negotiated the scope of work, terms, and costs with the vendor for the largest and most complex contracts, as well as for hard-to-find products, while the OLS attorneys assisted in the negotiations on other types of contracts. By waiving the competitive bidding process, CDPH was able to "truncate the process down to hours or a couple of days" to negotiate and execute a contract, recalled one SME. For further discussion on validation of vendors, refer to the Medical Surge chapter in this AAR.
- CDPH faced the daunting task of acquiring extremely scarce resources, as the global demand for these resources soared. As one SME pointed out, "everybody in the entire world was looking for the same thing." Not



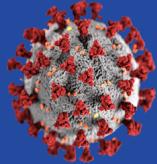
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only was it challenging to find the required products, products were also priced exponentially higher than usual due to a combination of high demand and limited supply. This dynamic necessitated extensive negotiations to obtain reasonable prices. Often, to negotiate better prices, the Emergency Procurement Officer offered shorter payment terms (net 10 days or net 15 days) than the standard payment term of 45 days within receipt of the vendor's invoice. Simultaneously, many vendors emerged, eager to sell their products to the State. To ensure the selection of reliable vendors capable of fulfilling their commitments, the Emergency Procurement Officer directed a rigorous vetting process for both the vendors and their products. The authority granted to the Emergency Procurement Officer to directly identify and negotiate with vendors proved invaluable, enabling the State to acquire essential resources that might have otherwise been unattainable.

- Due to the need to procure goods and services quickly, CDPH was not always able to include a comprehensive scope of work in the solicitations, as typically done in the standard competitive bidding process. Instead, CDPH provided a high-level outline of the scope of work to the vendor. The vendor then responded with a cost proposal, which the Emergency Procurement Officer evaluated for reasonableness, validated the legitimacy of the company and its offer, and negotiated the cost and terms. The proposal was also reviewed by the CDPH program manager who requested the services. If any changes were requested, the vendor had the opportunity to submit their “best and final” proposal. This iterative process led to either an agreement in principle or finalized contract between CDPH and the vendor on the scope and cost of the work to be performed.
- After reaching an agreement in principle, if needed the Emergency Procurement Officer could authorize the vendor to temporarily commence work, while the OLS attorneys and staff proceeded to finalize the contract. During this contract finalization process, the Emergency Procurement Officer continued negotiations to further refine contract parameters. OLS attorneys supported these negotiations by offering valuable legal counsel to mitigate potential risks, modify contract language, review exhibits, and make other recommendations on the contract’s terms and conditions. Their guidance was crucial to mitigating contracting risks.
- Once a contract was finalized, a designated CDPH program manager oversaw the vendor’s work and managed the contract. The program manager reviewed invoices and submitted them to CPR for processing. The fiscal management of contracts was handled centrally by CPR’s



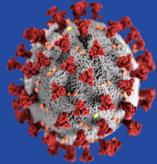
Resource Management Unit, supported by accounting and budgeting staff from the CDPH Administration Division.

- The Governor's Office also added a [Released COVID-19 Response Contracts](#) page to the State's COVID-19 website. The goal was to provide the public with access to contracts valued at over \$250,000 that were entered into as part of the State's response to the pandemic.

## Encumbrances

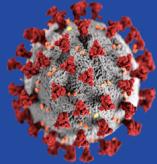
### **Created a Process to Better Manage Encumbering Funds**

- In order to finalize a contract, State agencies typically first identify a funding source and then encumber the total amount of the contract's projected costs against the identified funding source. By reserving a portion of the funding source, the encumbrance represents the obligation to pay for the contracted goods or services once the work is performed. The encumbrance is documented in the State's standard form (STD 215), which is a summary of the contract agreement. It contains a description of services, the payment terms, project expenditures, funding source(s), and the total amount encumbered.
- Due to the urgent life or death need to contract for pandemic goods and services, CDPH often negotiated and executed contracts before identifying the funding source. This practice posed a challenge, since CDPH subsequently needed to pay incoming invoices in accordance with the net payment terms of the contract but did not yet have the authority to pay from an approved funding source. Frequently, CDPH had to identify an interim funding source to temporarily “park” the encumbrance to pay vendor invoices while simultaneously obtaining authorization for the permanent funding source. For further discussion of funding sources, refer to the Fiscal Administration chapter of this AAR.
- During fiscal years 2019-2020 and 2020-2021, staff found it challenging to find appropriate funding sources for COVID-19 existing contracts, contracts in process, and future contracts. A team representing CDPH's Program Support Branch, Accounting Branch, Budgets Branch, and CPR's Resource Management Unit collaborated to actively monitor funding approvals and make adjustments or reallocate funds, as necessary, ensuring an adequate cash flow to meet CDPH's obligations. Staff in the CPR Resource Management Unit maintained an Excel spreadsheet to track funding availability and funding needs. This spreadsheet served as the primary tool for making informed decisions to shift and/or realign funds to pay CDPH's obligations. One SME recalled the challenging circumstances, stating that “it was really a difficult time for the fiscal side



of the house because we were barely making payroll on top of the need to secure products."

- In 2020, CDPH encountered budget tolerance, a situation where available funding reached the limit specified by the authorized appropriation. Recognizing the constraints of limited available funding and the time required to obtain additional funding authority, the team addressed the impracticality of managing CDPH's cash flow using the conventional process of encumbering the full amount of the contract at the time of contract execution. Since the total value of the contracts being initiated far exceeded the available funding, an alternative encumbrance approach was needed.
- In response to the budget tolerance issue, the team implemented innovative accounting methods and introduced a "dollar purchase order" process that circumvented the need to encumber the entire contract amount upfront. Initially, the team established a contract by encumbering the nominal amount of one dollar, then subsequently adjusted the encumbrances as invoices were submitted. When a vendor's invoice was received, the team encumbered the precise amount needed for payment. This new approach freed up encumbrances. Additionally, since State regulations permit encumbrances to be made through purchase orders, this method eliminated the need for contract change orders. By adopting this "dollar purchase order" approach, the team was better able to align funding to meet CDPH's obligations, reducing the risk of exceeding budget tolerance. This solution adhered to the State's rules, regulations, and auditing standards. A SME noted that prior to the next pandemic, CDPH should determine if FISCal still allows this and if not, determine a suitable workaround.
- To implement the "dollar purchase order" approach, the team coordinated both internally within CDPH and externally with other State agencies. One SME noted that the team developed strong relationships with SCO and DOF, who "understood the issue and helped CDPH achieve the goal" to manage budget tolerance. The team appreciated that SCO acknowledged the unique nature of this solution and commended CDPH for its creative and effective budget management efforts.
- For the 2021-2022 fiscal year, the State resumed its regular budgeting process, requiring CDPH to submit detailed budget estimates. These estimates were notably more accurate compared to previous fiscal years, ensuring adequate funding to meet CDPH's needs. As a result, the concern of budget tolerance was effectively eliminated, allowing CDPH to revert to the standard procedure of fully encumbering the contract amount at the initiation of the contract.



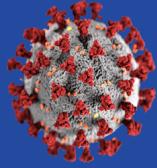
## Invoices and Payments

### **Accounts Payable Team Relyed on Redirected Staff to Process Invoices and Payments**

- When the pandemic started, additional staff were not initially designated to process invoices for COVID-19 emergency contracts; rather, one staff member in the CPR Resource Management Unit coordinated emergency contract accounts payable with existing accounts payable staff within CDPH's Administration Division. Very quickly, the accounts payable team realized the existing staff would not be able to keep up with the workload, especially since they had to process payments within shorter payment terms (typically within 10 or 15 days of invoice receipt). Further, CDPH could not utilize contractors or consultants to help with this work since policies do not allow contractors to process encumbrances or invoices.
- To handle the increased workload, staff were rotated in from other units in three-month increments. One SME recalled that the accounts payable team “grabbed anyone we could” through redirections and overtime. Often the redirected staff were not familiar with accounts payable processes, so they were assigned singular tasks to complete. For future pandemics, several SMEs recommended that CDPH leadership consider designating an experienced core team to handle emergency-related accounts payable.

### **Invoices Reviewed for Accuracy and Proper Supporting Documentation**

- For each contract, CDPH designated a program manager to manage the vendor's contract. The program manager was responsible for reviewing a vendor's invoice for accuracy and ensuring the vendor submitted the proper supporting documentation (sometimes up to 500 pages) that was required for eventual FEMA reimbursement. However, because of inadequate training and differing practices in each program, many program managers did not fully understand the invoice requirements, and therefore often failed to catch issues or problems with the invoices.
- Frequently, the program managers submitted invoices for processing that were formatted incorrectly, exceeded SCO's page limit, contained incorrect purchase order numbers, or listed an incorrect balance. The accounts payable team caught these errors and often sent invoices back to program managers for correction. Additionally, the program managers did not have access to Fi\$Cal and had to rely on the accounts payable team to run financial reports for them. These challenges required extensive research and reconciliation by the accounts payable team, as



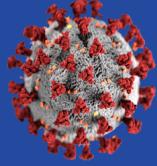
well as coordination with the program managers, to rectify the invoices before they could be processed for payment.

- Many of the emergency contracts contained unique terms and conditions that staff needed to be aware of to ensure accurate invoicing. To document these unique items, the CPR Resource Management Unit created an invoice tracker in an Excel spreadsheet. One SME referred to the spreadsheet as the “library for the staff to refer for a specific contract” for the approximately 350 contracts the team managed. Staff made notations on approximately 200 contracts, which required non-routine processing due to unique contract terms and conditions. Staff could refer to this spreadsheet when processing an associated invoice, and this also helped the team manage the iterative process of sending invoices back to the program managers for corrections.
- In August 2020, CDPH established the COVID-19 Fiscal Task Force to enhance coordination among the fiscal functions including accounting, budgeting, procurement, and contract management. This task force took charge of overseeing the fiscal management of approximately 100 contracts, thereby alleviating the workload of the accounts payable team, who continued to handle the remaining 250 contracts. For more detailed information on the CDPH COVID-19 Fiscal Task Force, refer to the Financial Administration chapter of this report.

## Contract Staffing Reimbursements

### **CDPH Ultimately Standardized Staffing Contract Terms and Invoices**

- Starting in March 2020, to augment the capacity of healthcare facilities in preparation for medical surges, CDPH initiated contracts with staffing agencies to provide supplemental staff. Through the spring and early summer 2020, CDPH deployed a few hundred contract staff. However, due to the summer 2020 and winter 2020/21 surges in COVID-19 cases, the demand for supplemental staffing substantially increased. Consequently, CDPH executed more contracts with additional staffing agencies. This allowed CDPH to quickly ramp up from a few hundred contract staff to thousands of contract staff by December 2020. For further discussion on staffing contracts, refer to the Medical Surge chapter of this AAR.
- After the supplemental staffing services were provided, each staffing agency submitted an invoice to CDPH for payment. CDPH fiscal services staff carefully reviewed the invoices in comparison with the staffing agency's supplemental documentation and timesheets. In the event of discrepancies, the invoices would be sent back to the staffing agency for resolution. Subsequently, after CDPH management approved the invoice,

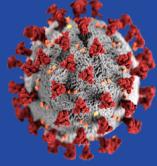


it was forwarded to the Accounting team for payment processing. Over the course of the pandemic, CDPH processed over 5,000 contract staffing invoices, all of which were managed in an Excel spreadsheet.

- Each contract staffing agency had its own contract with unique stipulations that were applicable only to that particular vendor. Consequently, CDPH received invoices, supporting documentation, and timesheets in varying formats and levels of detail, which took an inordinate amount of time to reconcile. One SME recalled it “took tons of hours” to rectify any disparities, address disputes, and correct double billings. The constant need to accommodate different hourly and overtime rates also became burdensome. To correct this problem, CDPH and EMSA worked together to amend the contracts, implementing standard rates and a consistent approach to overtime billing.
- While CDPH covered the upfront costs of the contract staffing it provided to facilities, these costs had the potential to be recovered—either through reimbursement from the healthcare facility utilizing the staffing contract or from the FEMA Public Assistance Program. Therefore, it was important to categorize the staffing services provided based on the specific mission (e.g., medical surge, vaccine administration, therapeutics, border, etc.) to determine whether certain costs were eligible for FEMA reimbursement. Initially, CDPH tracked this information at a high-level, but soon recognized more detail was needed to determine eligibility for cost recovery. Consequently, EMSA assisted CDPH in organizing the invoice data to categorize services according to the mission. One SME recalled that “separating the costs was timely, yet necessary.” For further discussion of the FEMA reimbursement process, refer to the Fiscal Administration chapter of this report.

### **CDPH and EMSA Coordinated to Invoice Healthcare Facilities for Selected Contract Staffing Costs**

- CDPH and EMSA collaborated closely on many COVID-19 Medical Surge Task Force initiatives to expand healthcare facilities' capacity, including staffing waivers, facility waivers, and contract staffing. Given CDPH's role as the regulatory agency for these healthcare facilities, EMSA operationalized numerous medical surge initiatives to prevent any potential conflicts of interest. This strategic division of tasks allowed both organizations to fulfill their respective roles effectively and ensure smooth implementation of the initiatives.
- Healthcare facilities that utilized supplemental staffing through the CDPH staffing contracts signed a memorandum of understanding (MOU) with EMSA to document their cost-sharing arrangement with the State. CDPH



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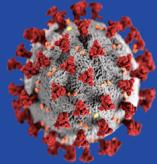
could not fulfill this step due to its regulatory oversight responsibility for these healthcare facilities. The MOUs varied based on factors such as facility type and bed capacity, with the State reimbursing either none, part of, or all of the staffing cost. While healthcare facilities began using supplemental staff in March 2020, the State did not initiate efforts to recover costs from healthcare facilities until September 2020, as it took time for CDPH and EMSA to set up the reimbursement processes.

- CDPH and EMSA collaborated to develop the process for healthcare facility reimbursements. To initiate the reimbursement process, CDPH sent the approved staffing agencies' invoices to EMSA. The EMSA invoice team recorded the staffing agencies invoices in its own Excel spreadsheet, allocating costs by mission category. The team then input the data needed to generate the facility invoice in a separate Excel spreadsheet. The EMSA invoice team managed the work using these two spreadsheets to align staffing agencies' costs with facility reimbursements.
- EMSA invoiced the healthcare facilities and processed the incoming payments. The EMSA invoice team generated the facility invoice in the Public Health Ordering System (PHOS) and sent the invoice to the facility. As the facilities submitted their payments, EMSA's accounting section processed payments in its accounting system. Since EMSA's accounting system was not linked with PHOS (which is owned and managed by Cal OES), the EMSA invoice team also recorded the payment status in PHOS. As the final step in the process, EMSA submitted the reimbursements for deposit into the State's General Fund.
- EMSA's process depended on the staffing agencies' invoice information that CDPH provided. Since CDPH and EMSA managed their workflows in separately maintained spreadsheets, staff from both agencies spent considerable time communicating and tracking invoices. SMEs from both agencies expressed the need for an integrated system and recommended that before the next pandemic that the State "invest in an accounting system to receive, generate, and track invoices without the need to rely on Excel spreadsheets, emails, and Teams."

## Reimbursements for COVID-19 Testing

### CDPH Provided Fee-Based COVID-19 Testing Services to Many Organizations

- In November 2020, CDPH and the COVID-19 Testing Task Force (TTF) launched the Valencia Lab to provide COVID-19 laboratory testing. LHJs, schools, community-based organizations, and other local groups collected samples and sent them to the Valencia Lab for testing. Each of

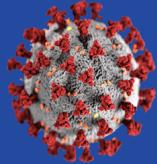


these entities signed a MOU with CDPH and agreed to the State's requirements for individuals' registration, specimen labeling, packaging, handling and transportation, and return of results.

- The State covered the costs for testing up front, which included the costs of the test kits, shipping of kits to collection sites, lab analysis, software for patient registration and recording of results, and general site support. If the collection site entity utilized the State's courier network, costs for shipping specimens to the lab were also covered by the State. To recoup the costs, the State established two prices for the test: \$55 for community and employer testing programs and \$21 for school-based testing programs.
- Each collection site entity could choose one of two options for billing. For the first option, the organizational entity could choose to pay, in which case CDPH billed the entity directly. For the second option, the organizational entity could request that CDPH bill the tested individual's health insurer for the cost of the test. If the tested individual was uninsured, then CDPH sought reimbursement through the federal Health Resources and Services Administration (HRSA) COVID-19 Uninsured Program.

### **CDPH Created Processes and System for Billing and Reimbursements**

- When CDPH planned and set up the Valencia Lab, the State's Emergency Procurement Officer requested a team be redirected to handle billing and reimbursement for testing. CDPH already had some experience with provider and insurance billing since its Genetic Disease Screening Program (GDSP) performed a similar function for its existing newborn and prenatal screening programs. To leverage this experience, CDPH redirected one staff member from GDSP in August 2020 to establish a billing operations team, create new processes, and work with several vendors to implement procedures and systems for billing and accounts receivable.
- The billing operations team soon discovered that billing and cost recovery had not been initially considered in developing the Valencia Lab testing program. The data that the team needed for billing and reimbursement came from information that individuals provided during the testing registration process at the collection site. However, the COVID-19 Testing Task Force had only planned to collect data needed to track patient samples rather than data needed to recover costs. For example, the registration data did not link the individual's data to the collection site entity or organization. Consequently, the billing operations team spent several months developing a process that linked tested individuals to the



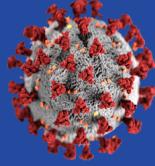
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appropriate organization, so that the correct invoice data could be sent to the billing vendor and to determine who would be billed for the test.

- As part of the billing file preparation process, it was necessary to confirm the insurance information. In cases where tested individuals did not provide insurance details, this process also determined whether they were uninsured. However, confirming the uninsured status of individuals proved to be challenging due to the initial lack of adequate information collected when individuals registered to be tested. For example, individuals were not initially required to provide a driver's license number or state identification number, which would have helped confirm their insurance status. This was a conscious decision by the State to remove barriers to testing, particularly for undocumented immigrants who feared that the information might impact their immigration status. Approximately six months after the Valencia Lab launch, the registration software vendor Color Health ([Primary Health](#)) added an identification question to the registration form, significantly enhancing the State's ability to verify the uninsured status of individuals.
- CDPH prepared the billing file on a daily basis. First, the testing registration software vendor imported patient data into CDPH's server. Then the billing operations team conducted the daily mapping of individuals to organizational entities and addressed any exceptions found, which involved coordination to remediate duplicate or incomplete data. Upon remediation, the billing vendor uploaded the billing file to its accounts receivable system to process the billing.
- After the billing vendor issued the invoices, two vendors managed the incoming payment remittances. CDPH engaged a “lockbox” vendor, which is a banking industry term for payments made to a secure post office box instead of remitted directly to CDPH. The lockbox vendor received checks, credit card payments, and other paper remittances, processed the payments, and scanned and converted the documents into flat files. The billing vendor handled the electronic submissions from Medi-Cal, Medicare, and private insurance companies. Both the flat files and the electronic submissions were uploaded to Sutherland's accounts receivable system to credit the charges. Lastly, CDPH reconciled and posted the transactions to FI\$Cal. One SME noted that the arrangement with these two vendors worked well, as “CDPH leveraged its existing relationship” with the vendors for GDSP billing, “to give us a basic process and understanding of insurance billing.”
- When the Valencia Lab closed in May 2022, CDPH contracted with the existing vendor to continue Laboratory testing and Insurance billing services.

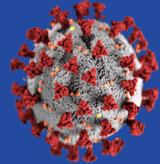


- As of late spring 2023, CDPH had invoiced and billed organizational entities for 429,000 tests and insurance plans for 1.4 million tests. This has resulted in the recovery of approximately \$5.4 million from direct billings to organizational entities, \$75.5 million from insurance plans, and \$77.3 million from HRSA for a total of \$158.2 million in testing-related reimbursements.
- For information about TTF and testing programs, see the Testing chapter in this AAR.

## Information Technology

*This section describes technology specific to this chapter.*

- CDPH's Administration Division utilizes several systems to process financial information. The state's financial management system, FI\$Cal, is the primary system used for fiscal administration activities. While FI\$Cal houses CDPH's approved budget by item of appropriation, CDPH tracks budget information at a more granular level in the CDPH Budget Utilization and Development System (BUDS). Both BUDS and FI\$Cal must reconcile to the approved budget. The FI\$Cal Online Reporting Environment (FORE) provides the dashboard for FI\$Cal transactions. Accounting staff post transactions in FI\$Cal and release financial data through the FORE dashboard after the monthly reconciliation is complete.
- CDPH's Program Support Branch (PSB) manages contracts, purchases, and service orders in the Contracts and Purchasing System (CAPS). CDPH programs also use CAPS to process, review, and track progress for encumbrance requests, contracts, and purchase orders. Once PSB reviews and approves documents submitted by a CDPH program, the data is uploaded into FI\$Cal for approval. After approved in FI\$Cal, CDPH programs submit invoices to the Accounting Section for processing.
- These systems did not adequately support CDPH's COVID-19 fiscal management needs. Due to system limitations and CDPH's immediate need to use temporary codes for expenditure transactions, FI\$Cal reports did not accurately portray encumbrances and expenditures by their true funding source. Consequently, for most contracting and procurement activities, staff relied on Excel spreadsheets. As a result, CDPH lacked a consolidated source of information that comprehensively represented the financial status with integrated contract details, authorized appropriations, encumbrances, invoices, and payments.
- For further information on the limitations of FI\$Cal and how spreadsheets were used for COVID-19 cost reporting, FEMA reimbursement, and federal funded grants management, refer to the Fiscal Administration chapter of this AAR.



## Communications

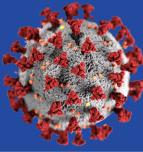
*This section describes communications specific to this chapter.*

### External

- The COVID-19 Emergency Procurement Officer met frequently with the Governor's Office, CalHHS, CDPH leadership, and the various COVID-19 Task Force leaders on the State's strategic direction of the emergency response. Numerous SMEs expressed their appreciation for the Emergency Procurement Officer's participation in these high-level leadership meetings and the Officer's proactive communication back to the COVID-19 Task Forces and CDPH staff on the direction of the COVID-19 response.
- CDPH's contracting, procurement, and accounts payable teams established strong and effective relationships with the state's control agencies (DOF, DGS, and SCO) to share information, identify funding opportunities, and expedite processing of funding requests, contracts, invoices, and payments. SMEs reported that this frequent communication was "critical" to carrying out CDPH's contracting and procurement responsibilities.
- For additional information see the discussion in the Analysis of Activities of this chapter for external communications with the Governor's Office, CalHHS, and other State departments.

### Internal

- In order to gather information and coordinate its work, the CDPH contracting and accounts payable teams proactively communicated with CDPH leadership, the CDPH Administration Division, CDPH programs, and the task forces on a regular basis. These communications were critical to the teams' understanding of ongoing policy decisions, planned contracts, funding needs, invoicing, and payment status.
- For additional information see the discussion in the Analysis of Activities of this chapter for internal communications within CDPH.



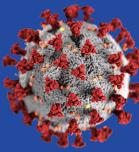
## Workplan

This section is designed to be used as a workplan for future pandemics.

Definitions:

- **Phase:** The phase of the response in which the major tasks should be conducted (Planning; Initial start-up, Ongoing operations, or Close-out).
- **Major Tasks:** The tasks and activities that have to be conducted as part of the public health emergency response to a respiratory pandemic.
- **Success Criteria:** Criteria used to assess whether a task has been achieved successfully.
- **Considerations Based on COVID-19 Response:** Things to consider, including pitfalls, risks, and lessons learned, based on the COVID-19 response.
- **Finding ID:** The ID(s) from the related Finding/Corrective Action (where applicable).
- **Lead:** The lead person(s) responsible for task completion.

Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
Planning; Initial start-up; Ongoing operations	Obtain necessary authority to rapidly procure goods and services	<ul style="list-style-type: none"><li>• CDPH teams can rapidly acquire supplies, equipment, subject matter expertise, support services, and technology to support an emergency response.</li></ul>	<ul style="list-style-type: none"><li>• The authority to expedite procurement processes may be in the form of Executive Orders, emergency proclamations, or exemptions.</li></ul>	<ul style="list-style-type: none"><li>• Contracting and Procurement 1, 2; Med Surge 1; Enterprise Tech 3</li></ul>	

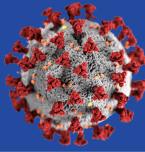


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Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
		<ul style="list-style-type: none"><li>• CDPH can rapidly position supplies and equipment when needed.</li></ul>	<ul style="list-style-type: none"><li>• Contracting rules and regulations not waived must still be followed.</li><li>• Grant the Emergency Procurement Officer with the authority to negotiate with vendors and make decisions on CDPH's behalf.</li><li>• Ensure procedures are in place for Cal Card use to pay for items without a purchase order.</li></ul>		
<b>Planning; Initial start-up; Ongoing operations</b>	Establish a core contracting and procurement team, led by an Emergency Procurement Officer	<ul style="list-style-type: none"><li>• Dedicated team is comprised of contracting, procurement, and accounts payable experts that oversee the contract administration of the emergency response.</li></ul>	<ul style="list-style-type: none"><li>• Establish preferred knowledge, skills, and abilities for the Emergency Procurement Officer</li><li>• Ensure coordination and communications channels among the various</li></ul>	<ul style="list-style-type: none"><li>• Contracting and Procurement 1, 2, 4, 5, 7</li></ul>	

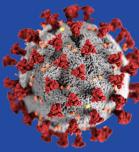


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Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
		<ul style="list-style-type: none"><li>Policies, procedures, and processes are followed consistently across all workstreams.</li></ul>	<p>programmatic task forces and workstreams to address the contract administration needs of the response.</p> <ul style="list-style-type: none"><li>Document emergency contract processes and develop playbook for department-wide implementation.</li><li>Train program staff that manage contracts on protocols.</li></ul>		
<b>Planning; Initial start-up; Ongoing operations</b>	Resource core contracting and procurement team with qualified staff	<ul style="list-style-type: none"><li>Core team members are trained and ready to deploy in an emergency.</li></ul>	<ul style="list-style-type: none"><li>When possible, establish permanent, rather than limited-term, positions to recruit experienced, qualified staff.</li><li>If using redirected staff, seek resources with</li></ul>	<ul style="list-style-type: none"><li>Contracting and Procurement 6</li></ul>	

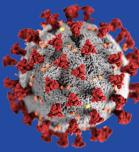


# CDPH COVID-19 After Action Report

## Chapter 26 – Contracting and Procurement

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Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
			contracting and procurement expertise, or provide training.		
<b>Planning; Initial start-up; Ongoing operations</b>	Establish communication channels with the State's control and partner agencies	<ul style="list-style-type: none"><li>• CDPH understands and adheres to the State's requirements pertaining to emergency spending authorities.</li><li>• CDPH continues to improve its emergency contracting and procurement processes.</li></ul>	<ul style="list-style-type: none"><li>• Ensure coordination and frequent communication occurs with CalHHS, DOF, DGS, SCO, Cal OES, and EMSA.</li><li>• Document requirements CDPH must adhere to under the State's emergency spending authority.</li><li>• Update internal processes and procedures, as necessary, as State requirements evolve.</li></ul>	<ul style="list-style-type: none"><li>• Contracting and Procurement 3; Fiscal 2</li></ul>	
<b>Planning; Initial start-up;</b>	Identify what systems needs to be built	<ul style="list-style-type: none"><li>• Fiscal and contract management systems are</li></ul>	<ul style="list-style-type: none"><li>• Evaluate the need for new or improved fiscal</li></ul>	<ul style="list-style-type: none"><li>• Contracting and</li></ul>	

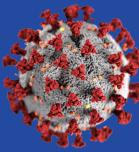


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Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
<b>Ongoing operations</b>	and/or augmented	<p>flexible, scalable, and meet stakeholders' needs.</p> <ul style="list-style-type: none"><li>• CDPH leadership and policymakers can rely on the systems for accurate and timely information.</li></ul>	<p>and contract management systems and begin planning early.</p> <ul style="list-style-type: none"><li>• Recognize that integration between internal systems and external systems (FI\$Cal) may require additional software applications.</li><li>• Identify inter-dependencies between systems and document potential impacts.</li></ul>	Procurement 10; Fiscal 6	
<b>Planning; Initial start-up; Ongoing operations</b>	Ensure all contract information is appropriately documented and readily accessible to the core team	<ul style="list-style-type: none"><li>• Information is captured and available to support the FEMA project application and reimbursement claims.</li></ul>	<ul style="list-style-type: none"><li>• Develop model emergency contract language to include required data vendors must supply to justify invoiced costs.</li></ul>	Contracting and Procurement 8, 9; Fiscal 7, 9, 10	

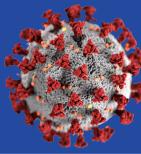


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Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
		<ul style="list-style-type: none"><li>Information is captured and available to support billing and reimbursement claims.</li></ul>	<ul style="list-style-type: none"><li>Create a process to identify and track all contracts that have been initiated, are in process, and are planned.</li><li>Ensure all entities that plan, negotiate, and enter into contracts (e.g., State Procurement Officer, SOC, task forces, CDPH programs) adhere to the process.</li><li>Recognize and plan for the fact that contracting and procurement management practices during emergencies may be unique (e.g., decentralized) and differ from normal operations.</li></ul>		



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Phase	Major Tasks	Success Criteria	Considerations	Finding ID	Lead
			<ul style="list-style-type: none"><li>• Apply lessons learned related to demobilization planning.</li></ul>		

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