



STAFF REPORT

County of Humboldt
Board of Supervisors
Meeting of January 26, 2021

CAO'S OFFICE OF ECONOMIC DEVELOPMENT



RE: Amendments to the Agreements Between
County of Humboldt and Shasta County Private
Industry Council, dba SMART Business Resource
Center

CAO'S OFFICE OF ECONOMIC DEVELOPMENT

Background – SMART Business Resource Center

- Contracted to provide services to help Humboldt County job seekers find jobs, increase training and skills, and increase their earnings.
- Serves other regions besides Humboldt County, as well as thousands of students, job seekers, schools, government agencies, and employers in the North State.
- Services available:
 - Assistance in filing unemployment claims
 - Programs that can help residents get re-employed and/or pay for education and training
 - Job seeking supportive services such as transportation
 - Interview clothes, work clothes, tools or equipment

Background – SMART Services related to COVID-19

- SMART signed a contract with DHHS to provide 7 Contact Tracers and / Communicable Disease Investigators.
- SMART is engaged in discussions with EOC Leadership about providing staff support for EOC operations and COVID-19 mitigation.
- SMART services to subrecipients are directly related to job loss and economic hardship caused by COVID-19.

Background - SMART Service Agreements

Your Board previously approved the following agreements:

- Phase II of Opioid Crisis National Dislocated Worker Grant Funds approved July 9, 2019
- WIOA Adult and Dislocated Worker services approved June 23, 2020
- Workforce Innovation and Opportunity Act (WIOA) Youth services approved October 20, 2020
- WIOA COVID-19 Dislocated Worker services approved October 20, 2020
- WIOA for Rapid Response and Layoff Aversion Services approved October 20, 2020

Timeline

October 22, 2020: Staff receives correspondence from SMART regarding late payments and service agreements

November 2020: SMART Amendments negotiated by staff with vendor

Dec 11, 2021: SMART Amendments executed by County Administrative Officer

Jan 26, 2021: SMART Amendments to Board of Supervisors for ratification

November 3, 2020: SMART engages BOS members in communication concerning issues laid out in Oct 22, 2020 letter

November – December 2020: Staff and County Counsel Review of SMART Amendments

Jan 13 – Jan 25, 2021: Staff and County Counsel Review of Guidance received from Auditor Controller's office.



Proposed Contract Amendments

The proposed contract amendments are adjustments to the agreed upon payment schedule to allow for weekly advance payments, with a year-end settlement process to allow for continuity of services.



Weekly Advance

Services Provided

Year-End True-Up

Proposed Contract Amendments

Advance Payment:

- Weekly invoice detailing each contract payment amounting to the total to be advanced per week.
 - Staff will seek AC guidance on appropriate format
- Monthly an itemized invoice will be provided detailing the services provided.
 - Staff will reconcile to the prior cash advances
- Year-end reconciliation and true-up process to close the year.
- Advance payments to a non-profit for services, with reconciliation at the end of the year, is not lending the credit of the county *in aid of or aid to an association*, pledging the credit *for the payment of liabilities*, or *making a gift of any public money or thing of value*.
- Approving of advance payments is a policy decision and not barred by law.

Amendment Review

- Reviewed with County Counsel
- Identified Resolution 12-100 which provided authority to the CAO to execute the following so long as the documents relate to “activities or programs in the areas of economic development, workforce investment. Headwaters Fund administration, Community Development Block Grant or HOME funding...”
 - 1) Contracts to execute programs and strategic initiatives in accordance with WIB strategic plans and approved grants, after review and approval by county counsel and risk management.
 - 2) Grant reports for fiscal accounting.
- Contracts executed by the CAO on December 11, 2020.
- Following concerns staff later identified that your Board previously executed the original agreements, causing County Counsel to recommend approval of these amendments by your Board.

Recommendations



Staff recommends that your Board receive and ratify the attached Amended Professional Services Agreements with Smart Business Resource Center as signed by the County Administrative Officer and authorize the County Administrative Officer and/or designee to execute subsequent and future amendments to these Agreements.

In addition, staff ask that your Board determine that these modifications to the agreements service a public purpose to ensure the continuity of services that are especially important during the COVID pandemic.

Questions



Staff and County Counsel are available today to address any questions from your Board, and/or to discuss concerns raised by the Auditor Controllers office, including matters related to;

SMART Business Resource Center –History & Services.

Agenda item routing approval sequences – Approvals & Processes.

Prepayment for vendor services - History & Examples.

Other - At Board discretion.