

ADDENDUM MATERIAL

DATE 10-5-21 ITEM NO. Add 14

Danielle Greene

From: JoAnn diFilippo [REDACTED]
Sent: Monday, October 4, 2021 3:53 PM
To: COB_mail
Cc: District1; DIST2; District3; District4; District5
Subject: BOS October 5, 2021 meeting: Comment letter to Addendum No. 14

CAUTION: This message and sender come from outside Pima County. If you did not expect this message, proceed with caution. Verify the sender's identity before performing any action, such as clicking on a link or opening an attachment.

COB: Please upload this email as a comment letter to Addendum No. 14 – SJM Premier Medical Group, Amendment #2 to MA-PO-21-139 in the amount of \$398,750.00; and place a copy of this email in the official record.

To: Board of Supervisors

On 3/16/21 a Master Agreement (MA-PO-21-139) was approved by the supervisors in the amount of \$33 million dollars to be distributed on a shared annual award basis to a select group of five (5) contractors (see below; information retrieved on 10/4/21 from Pima County OnBase system). The funding source noted on the original BOS Agenda Item Report for the Master Agreement stated, "Health Department Ops."

Search Results

Doc CD	Doc Dept CD	Doc ID AMS	Amendment No	Vendor Legal Name	Alias DBA
MA	PO	21000000000000000139	0	PARADIGM LABORATORIES LLC	
MA	PO	21000000000000000139	0	SJM PREMIER MEDICAL GROUP LLC	
MA	PO	21000000000000000139	0	PHAMATECH, INC.	
MA	PO	21000000000000000139	0	VISIT HEALTHCARE	
MA	PO	21000000000000000139	0	PREMIER MEDICAL, INC.	PREMIER MEDIC
MA	PO	21000000000000000139	1	PARADIGM LABORATORIES LLC	

It appears that also associated with this Master Agreement is a contract (CT 22-03) issued to SJM Premier Medical Group. On 10/5/21, the supervisors are asked to approve amendment #2 to SJM's contract (CT 22-03). The total contract value for SJM will now be: \$150,000 + \$100,000 + \$398,750 = \$648,750 (see below; info retrieved from OnBase on 10/4/21).

22000000000000000003	0	SJM PREMIER MEDICAL GROUP LLC	
22000000000000000003	1	SJM PREMIER MEDICAL GROUP LLC	

I question the funding source on this contract plus the two amendments as page 2 of each contract request on the BOS provides the following information:

Contract / Award Information

Document Type: CT Department Code: HD Contract Number (i.e., 15-123): 22-003
Commencement Date: 07/02/2021 Termination Date: 07/01/2022 Prior Contract Number (Synergen/CMS): N/A
☒ Expense Amount: \$* 150,000.00 ☐ Revenue Amount: \$

*Funding Source(s) required: Expenses will initially be charged to the Health Special Revenue Fund. It is anticipated that many of the expenses will be reimbursed from the American Rescue Plan Act funding

It appears all expenses for the original contract and two amendments have/are being charged to the Pima County Health Special Revenue Fund with the anticipation that "many" of the expenses will be reimbursed from the American Rescue Plan Act funding. Thus, my question is: have all expenses from the original contract and amendment #1 (\$100K plus \$150K) already been charged to another funding source such as the ARP funding?

My concern is two-fold:

1. Can these expenses be posted directly to the \$203 million ARP funding allocation (recently received and approved by the BOS) or some other carry-over federal COVID funding vs. billing to the department and then later creating a journal voucher to move the expenses to a federal funding source? As you are aware, this is a much cleaner process for any audit review; and
2. Posting expenses directly to the applicable funding source will help prevent the type of situation experienced by the county last fiscal year when COVID expenses were posted incorrectly (using a Task Order process) and ultimately created a cash flow shortage that had to be corrected. And, to which CHH and Jan Leshner are not made aware of until it is "too late" and then they are tasked with giving staff directives to correct the errors. I don't blame CHH if he gets upset when these situations occur; he's responsible to the Supervisors and, ultimately, the auditors for expenses tracked incorrectly. That aside, I cannot "see" all the processing activities that have taken place with this MA, contracts, and funding sources, therefore, it is up to you Supervisors to ask these questions before approving the contract amendment.

Therefore, I highly recommend the Supervisors:

3. Confirm CT 22-03 is a contract associated with Master Agreement 21-139.
4. If so, reject this contract and make the necessary corrections to include the correct funding source on both the BOS Agenda Item Report and the Contract documents. Also, it is advisable to note on the CT that it is associated with MA 21-139 so that anyone looking at the contract at a later date will understand this contract is part of a shared annual award with four other possible contractors.
5. If not, please explain why this contract is funded outside of the \$33 million shared annual award Master Agreement.

Pima County received over \$300 million in federal COVID funding and it's essential these expenses be tracked correctly, as incurred, and not as a journal entry "batch-job" moving the expense from the Health Department Special Revenue to a COVID federal funding source. Moving expenses "after the fact" from one funding source to another is a red flag in an audit. If you have any questions, please let me know. Thank you for your attention to this matter.

JoAnn di Filippo, PhD