



OC Procurement Alliance Meeting

July 18th, 2024

**Community Room
100 Civic Center Drive
Newport Beach 92660**

WELCOME OC Procurement Alliance



Happy New Fiscal Year!



Celebrating the amazing work of YOU and YOUR TEAMS!



And the great success of our Alliance in Regional Collaboration!

Alliance Updates



- Expanding Collaboration
 - Neighboring Cities, Counties and Special Districts

- Collaboration with Local Professional Organizations
 - CAPPO
 - NIGP
 - *Watch for upcoming elections for local Chapters of these Organizations – WE NEED YOU!!*

- NASPO to expand and support beyond State and into Local
 - OC Alliance represented at last NASPO Board meeting

Alliance Updates - Success



➤ Our Alliance efforts have been recognized across the Nation by various organizations (NIGP, NASPO, etc)

- Southern California Association of Governments (SCAG) included our Alliance efforts in their

recent publication:

Orange County Procurement Alliance -
[The Orange County Procurement Alliance](#)
fosters collaboration and cooperation among

procurement professionals in cities across the
County to support inclusive contracting.

**Available on Alliance website*

- Inclusive Contracting – through our Alliance Supplier Outreach, Focus Groups and other collaborations we have been able to increase our pool of local/small vendors by over 10% and we anticipate this number increasing with our new System implementation and ongoing efforts
- Collaborative Contracting – since coming together we have created over 100 collaborative transactions amongst each other

Alliance Participating Benefits Handout has been provided.

Our Board has shared this document with your City Managers as well.

INCLUSIVE CONTRACTING TOOLKIT

Southern California Association of Governments

NOVEMBER 2023



Alliance Pavilion Collaboration



- Phase I – Pavilion / County collaboration kicking to develop a platform to give us the ability to share contracts across the Region kicking off the OC Procurement Alliance
 - Currently over 2500 active County contracts searchable in Pavilion
- Phase II – County adds language requiring Suppliers to pay 2% administrative fee each time an entity piggybacks on a County contract (1% for Pavillion / 1% for County). Outreach conducted with Suppliers to ensure Suppliers were supportive of the initiative.
- Phase III – County / Pavilion will now share the administrative fee with your piggybacking entities (0.5%)

Alliance Website Updates



- Enhancements to our Alliance Pavilion Search Capabilities
- Contracting Toolkit: Southern California Association of Governments (SCAG)
- Training Calendar through end of the year
- 2024 County Policy Manual
- Alliance Infographic
- Supplier Outreach Events Calendar
- Expansion of the Evaluation Panel Index

Any other website suggestions, please let us know!!



EVALUATION PANEL INDEX

Panelist	Name	Industry Expertise	Email Address	Phone Number
1	Jason Swain	Automotive Parts/Brake Suspension	jasonswain81@gmail.com	714-345-3865
2	Gabe Dima Smith	Development/Public Works	gdimasmith@ocpower.org	909-342-3144
3	Justin Gollieher	Design & Construction	Justin.Gollieher@ocpw.ocgov.com	714-667-1675
4	Scott Dessort	Design & Construction	Scott.Dessort@ocpw.ocgov.com	714-667-4924
5	Mike Smith	Design & Construction	Mike.Smith@ocpw.ocgov.com	714-667-3289
6	Joe Seybold	Design & Construction	Joseph.Seybold@ocpw.ocgov.com	714-667-4921
7	Fiona Man	Design & Construction	Fiona.Man@ocpw.ocgov.com	714-647-3953
8	Hugo Pineda	Design & Construction	Hugo.Pineda@ocpw.ocgov.com	
9	Steve Hilleshem	Design & Construction	Steve.Hilleshem@occr.ocgov.com	949-585-6437
10	Matt Durbin	Design & Construction	Matthew.Durbin@ocpw.ocgov.com	714-667-1626
11	Melissa Pasa	Design & Construction	Melissa.Pasa@ocpw.ocgov.com	714-647-3977
12	Michael Hatch	Design & Construction	Michael.Hatch@ocpw.ocgov.com	714-667-4989
13	Teddy Kamarzarian	Design & Construction	Teddy.Kamarzarian@ocpw.ocgov.com	714-955-0315
14	Jeanette Cotinola	Design & Construction	jcotinola@socwa.com	
15	Wayne Tolosa	Emergency Medical Services	WTolosa@ochca.com	714-560-6194
16	Robert Kmetz	Facilities / Janitorial Services	Robert.Kmetz@ocpw.ocgov.com	714-667-3281
17	Charles Dulac	Grant Management/	charles.dulac@ocgov.com	714-834-3141
18	Ian Kemmer	Health Care	IKemmer@ochca.com	714-834-2160
19	Jenny Hudson	Health Care	JHudson@ochca.com	714-834-3890
20	Araceli Delgado	Human Resources/ Employment Services	ADelgado@santa-ana.org	714-565-2654
21	Dede Dammann	Human Resources/Training	dede.dammann@ocgov.com	714-834-4624
22	Madeline Rodriguez	Human Services	madeline@projectkinship.org	714-975-9879
23	Joe Cook-Giles	Human Services	JCook-Giles@ochca.com	714-834-7602
24	Meghan Medlin	Human Services/Employment/Re-Entry	mmedlin@hireoc.org	714-823-3083
25	Timothy Huynh	Human Services	timothyh@mercyhouse.net	714-836-7188 x132
26	Megan Langston	Human Services/Re-Entry	megan@human-works.org	949-445-6856
27	Lisa Weinert	Human Services	LWeinert@ochca.com	714-834-2037
28	Cecelia Varela	Information Technology	Cecelia.Varela@ocit.ocgov.com	714-567-5049
29	Heather Alcaraz	Information Technology/ Recruitment	heather@leeline.io	714-273-6684
30	Anna Nevarez	Information Technology / Procurement	Anna.Nevarez@ocit.ocgov.com	714-567-7410
31	Tim Shears	Information Technology / Procurement	Timothy.Shears@ocit.ocgov.com	714-567-7488
32	Rhonda Marshall	Insurance	RMarshall@ocair.com	949-252-5234
33	Calvin Wong	Insurance	Calvin.Wong@ocgov.com	714-285-5523
34	Joe Balicki	Law Enforcement/Security Services	joseph.balicki@ocgov.com	714-834-3040
35	Stacy Mohler	Parking and Related Services	Stacy.Mohler@ocpw.ocgov.com	714-667-9622
36	Mike McAdam	Printing & Reprographics	michael_mcadam@myfsd.org	714-447-2846
37	Lyle Rossow	Procurement	Lyle.Rossow@ocgov.com	714-705-5527
38	Sandra Segawa	Procurement	sandras@ggcity.org	714-741-5050
39	Kevin Work	Procurement	Kevin.Work@ocgov.com	714-567-7312
40	Helen Hernandez	Procurement	Helen.Hernandez@ocgov.com	714-567-7596
41	Kari Bouffard	Procurement	KBouffard@anaheim.net	714-765-5222
42	Adriana Nieto	Procurement	adrianapineda411@gmail.com	714-476-3086
43	Nicole Swain	Procurement	nicole.swain@ocgov.com	714-834-6801
44	Pedram Gharah	Procurement/Law Enforcement	Pedram.Gharah@fullertonpd.org	714-738-6841
45	Kevin Citalan	Procurement	kcitalan@flyontario.com	909-544-5251
46	Cliff Cortes	Procurement	ccortes@flyontario.com	909-544-7570
47	Anza Vang	Public Health Services	AVang@ochca.com	714-834-7724
48	Lydia Mikhail	Public Health Services	LMikhail@ochca.com	714-834-8378
49	Steven Halligan	Regulatory/Legislative & Related	shalligan@ocpower.org	949-767-8700
50	Victoria Lopez	Training Services	victoria.lopez@ocgov.com	714-834-7325
51	Deena Bower	Training / Organizational Development	deena.bower@ocgov.com	714-834-7010
52	Lance Larson	Transportation/Roadways	llarson@octa.net	714-560-5329
53	Ted Fuentes	Veterans Services/Military	tfuentes@risenwarriors.org	310-594-8900

The Evaluation Panel Index continues to grow! Check the Alliance website for the latest and greatest, for all your Evaluation Panel Member needs!

Please add additional staff from your organization to assist in creating a comprehensive list by contacting nicole.swain@ocgov.com.

Alliance Feedback – One on One Meetings



Positive Feedback

- Increased volume of contracts available for piggybacking
- Pavilion is a great tool for searching for cooperatives
- Networking amongst various agencies
- Partnering on various initiatives
- Sharing of best practices, templates and relevant procurement information
- Procurement Professionals Day had a lot to offer
 - Trainings and Panels were beneficial
 - Continuous Education Opportunities
 - Head Shots

Enhancement Suggestions

- Additional trainings applicable to all agencies and record
- Additional networking opportunities
- Partner on initiatives and efficiencies that can benefit cities and County
- Additional communications between meetings
- Participation in Surplus program

Feedback is always appreciated, please let us know if you have any additional suggestions!

Group Activity / Introductions

Future of the Alliance



Mission / Vision Statement:

To inspire growth and innovation within the procurement community through regional collaboration.

Expansion:

Consideration to rebrand to a SoCal Procurement Alliance considering recent growth

Development of Various Roles and Call Out for Volunteers or Nominations:

Possible: Chair, Co-Chair, Secretary, Outreach/Events Coordinator, Legislation & Communication or other roles

Suggestions for Additional Goals and Objectives for New Fiscal Year



Procurement Systems

UPPCC – Call for Item Writers



- The Universal Public Procurement Certification Council (UPPCC) has an opportunity for CPPO and CPPB certified public procurement professional to contribute to the development of the certification exams as item writers!

Opportunities:

1. Develop exam items that reflect current industry standards and best practices.
2. Collaborate with a team of professionals dedicated to advancing public procurement.
3. Influence the quality and rigor of certification for future procurement experts.

Benefits:

1. Enhance your professional credentials and industry recognition.
2. Gain valuable insights and skills in test development.
3. Receive professional development credits for your contributions.

Process:

1. **Application:** Complete the [application form](#) thoroughly.
2. **Training Module:** Participate in a 30-minute online training module.
3. **Style Guide Review:** Read and review our comprehensive style guide.
4. **Interactive Training:** Attend a 45-minute live, interactive virtual training session.
5. **Draft and Submit Items:** Mentors and feedback will be available to you as you develop items.



County Systems Update - OpenGov



- Solicitation and Contract Development – Our templates have been released as of 7/1
- Grant Management – Module is currently going through a pilot testing phase and will roll out to the rest of the County within the next month or so
- Asset Management – We just conducted countywide training sessions last week, and are moving into a full testing and training phase. Deployment is expected in December.
- OpenGov and Pavilion collaboration making all County contracts included and fully searchable in both platforms
- Procurated (Yelp for Gov't contracting) - Procurated is fully integrated into OpenGov and is in use by the County as of 7/1



Alliance Opportunity – Open Gov



Orange County Procurement Alliance: eProcurement

25% DISCOUNT



+  OPENGOV

The complex block features an aerial photograph of a coastal town and beach. Overlaid on the image is the text "Orange County Procurement Alliance: eProcurement" in large white font. A white starburst graphic contains the text "25% DISCOUNT". At the bottom right, there is a plus sign followed by the Orange County seal and the OpenGov logo.

Key Alliance Benefits using OpenGov

- 25% OC Alliance discount
- Shared access to OC jurisdictions' supplier network
- Pavilion co-op contract search integration
- Reduced onboarding cost and more consistent and compliant boilerplates due to shared templates
- Improved and consistent supplier response experience

Alliance Opportunity – OpenGov



Headquartered in California

Featured OpenGov Procurement Customers

- Orange County, CA
- City of Tustin, CA
- City of Lake Forest, CA
- City of La Palma, CA
- West Basin Municipal Water District, CA
- Ontario Airport, CA
- Palmdale Water District, CA
- City of Bell, CA
- City of San Marino, CA
- City of Thousand Oaks, CA
- City of Pasadena, CA
- City of Redondo Beach
- City of Manhattan Beach, CA
- City of Moreno Valley, CA
- City of Vista, CA
- City of Banning, CA
- City of Santa Monica, CA



Trusted By Procurement Teams



Proven Results

90% less time building solicitations

3-4x more supplier responses

66% Fewer community complaints

100% of DBE/MBE goals met

99% customer retention

County Systems Update – Copier/Print Management



- The County has just recently wrapped up a major initiative regarding copiers
- Historically, the County held 5 contracts with the main copier manufacturers and allowed the departments to decide
- In conjunction with Procure America, this effort streamlined the offerings and saw the County award to a single supplier
- This will result in over \$2.5M in savings over 5 years, and was also awarded to a local small business, C3 Tech

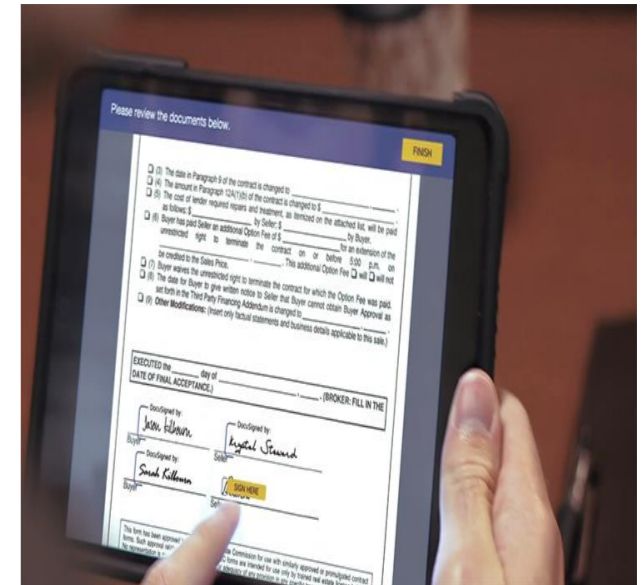


A handout of all Orange County / ProcureAmerica Efficiency Projects has been provided today demonstrating over \$7M in savings

County Systems Update - DocuSign



- County developed and issued its eSignature (DocuSign) policy on 2/2/24
- We are continuing to offer monthly training sessions, with the recent sessions focusing on Administrative functionality, as well as best practices surrounding envelope and template utilization
- Our main focus this year is further increasing adoption across all departments
 - The County currently has almost 5,500 active seats
 - We are projected to consume over 90,000 envelopes this year
 - We have a current completion rate of 85%



DocuSign also in the process of presenting OC Alliance member discounted pricing.



Regional Cooperatives Available to Alliance

Countywide Cooperative Contracts



New Contracts

- Live Scan Digital Fingerprinting
- Transportation Services
- Athletic and Physical Education Supplies, Equipment
- Courier Services – Reverse Auction Bid
- Credit Checks & Employment Background Services

Solicitations in Progress

- Lumber – ability for contractors to utilize on Govt projects
- Steel - ability for contractors to utilize on Govt projects
- Heavy Duty Tires
- Rideshare Transportation Services – Uber & MJ in negotiations
- Data Breach Response Services
- Hazardous Waste Disposal Services
- On-Line Marketplace for Cloud Services and Software Products

Countywide Cooperative Contracts



Upcoming Solicitations

- Legal Processing Services
- Medical Staffing
- Cost Recovery and Reduction Services
- Consultant Services for Solicitations Application Development
- HVAC Maintenance and Equipment
- Data Analytics/Data Mining Services



Pavilion OC Contracts

Cooperative Contracts



- The County wants to know what other Regional Cooperatives would benefit your organizations. Share today or reach out anytime!

- Does your organization have any issues or piggybacking policy we should be aware of to make our Regional Cooperatives more usable for you??
 - *Example: City of Newport Beach can only piggyback on cooperatives competitively bid in the last two year.*



Supplier Engagement

Supplier Outreach Event



- Over 900 attendees
- 185 Exhibitor Tables
- 18 Alliance Member Tables
- 15 County Dept Tables
- 275 Suppliers attended
- **Next Event will be in March 2025!**

<https://youtu.be/u-HDyDpnQw0>

Everything was well managed and went smoothly!

55 Survey Responses

Having been part of many similar vendor shows with other counties, this one was run very well.

I thought this year had more people through than last year. It is a quality event and we appreciate being invited!

Lovely Park, good flow with table layout

Venue was great! Set up allowed easy visibility of booths.

I thought you had a great set up, and the food options were good.

The show was a major success and we are thankful for the opportunity to talk to so many public employees about how to acquire more business from the municipalities. We'll be there next year again!

Process was easy

Vendor Information Day



- County hosts an open house to educate vendors on how to register and do business with County and other entities
- 1st Thursday of every month, 10am
- County Admin North, 400 W. Civic Center Drive, 1st floor
- Various County Departments and open to any other Public Agencies
- County utilizes various media sources to market the event and can market your Agencies attendance should you want to partner

Next Meeting: August 2nd



Please contact Helen at Helen.hernandez@ocgov.com for registration information or scan code if you would like to join us.

Supplier Outreach Events



➤ **Small Business Diversity Network:**

biznet.mislam@gmail.com

9/26 – Supplier Outreach Event for small businesses

➤ **Veterans in Business Network**

www.vibnetwork.org

Nov 13-14, 2024 - 8th Annual National VIB Conference - San Diego, CA

Register today at www.vibconference.com

➤ **DGS Procurement Division**

<https://www.dgs.ca.gov/PD/Events>

7/24 – Biz Expo 2024

7/24 – North Region 2024 Resource Roundtable - Webinar

7/25 – Solving the Marketing Mystery: How to Market to the State Session 2 - Webinar

7/27 – 4th Annual Small Business Success Summit

7/30 – Prepare for the Fair- Online

8/8 – The ABCs of Environmentally Preferable Purchasing for SB/DVBEs - Virtual

8/13 – Doing Business with the US General Services Administration - Online

8/14 – 20th Annual Procurement Resource Fair

8/15 – Contracting with California State Government - Online

12/5 Solving the marketing Mystery: the 5Ws – Session 1 - Virtual

**The events list will be updated and are posted on the Alliance website.
Please share any events in your area and we will add to the Alliance calendar.**



Procurement Professionals Program



Procurement Professional's Summer Networking Night



SUMMER CONCERT SERIES

THURSDAYS | OPEN AT 5 P.M. | CONCERT 6 - 8 P.M.
ALL AGES • FREE ADMISSION & PARKING • LEARN MORE AT OC PARKS.COM



JUL 25 NO DUH: THE ULTIMATE TRIBUTE TO NO DOUBT AND CASSIE B.

IRVINE REGIONAL PARK
1 IRVINE PARK RD. | ORANGE

Families are welcome!

FREE CONCERT IN THE PARK

California Official Chapter

NIGP The Institute for Public Procurement




JULY 24, 2024
6:00PM - 9:00PM

- No Registration Required • Families Welcome •



FREE EVENT!

SUMMER FUN CONCERTS IN THE PARK

WEDNESDAYS 6-9 P.M.

FAIRMOUNT PARK | 2601 FAIRMOUNT BLVD.
LIVE ENTERTAINMENT | FOOD VENDORS
BEER GARDEN | BEER GARDEN HOSTED BY THE RIVERSIDE COMMUNITY SERVICES FOUNDATION

JULY 24 24K MAGIC - BRUNO MARS TRIBUTE

Training Calendar

We Welcome our Alliance



Date	Time	Training	Where?
7/23/24	11:00AM-12:30PM	Sailing the 7 Cs to Successful Scope of Work Design	NIGP
7/24/24	10:30AM-11:30AM	County IT Procedures	MS Teams
7/30/24	10:00AM-11:00AM	Conversations on Procurement Excellence: Process Efficiency Roundtable	Harvard Kennedy School – PEN: Zoom
8/6/24	11:00AM – 12:00PM	Building Together: Leveraging Cooperative Networks for Enhanced Construction Procurement	NIGP
8/15/24	10:00AM-11:00AM	Ask the RFP Doctor: Enterprise Level Software Procurements	Center 4 Procurement: Zoom
8/22/24	9:00AM-3:00PM	Scope of Work and Specification Development Best Practices	CAPPO: County of Orange Conference Center

Training Calendar

We Welcome our Alliance



IN-PERSON SEMINAR

Scope of Work (SOW) and Specification Development Best Practices

Continental Breakfast | Deli Lunch | 5.0 CEH



Join us for an enriching workshop where we'll delve into the intricacies of crafting contract specifications and scope of work. This interactive session will equip you with the essential tools, knowledge, and real-world examples to excel in solicitation and contract preparation.

Exploring Scope Development Varieties: Embark on a comprehensive exploration of scope development methodologies tailored for diverse government purchase categories, including construction, IT, services, and goods procurement.

Navigating Efficient and Effective Scope Development: Gain valuable insights into selecting the most suitable scope of work type, considering factors such as solicitation type (low price/best value), competition requirements, agency knowledge constraints, and effective risk management practices.

Presenters



NORTHERN CA
Michael Derr
County of San Diego
Chief of Procurement Services



SOUTHERN CA
Richard McCarvell
County of San Diego
Chief of Procurement Services

Deciphering Key Components of a Scope of Work: Uncover the essential elements of a robust scope of work tailored for various government procurement categories, including:

- Goods Contracts: Define salient brand specifications, quality standards, quantities, and delivery specifics.
- IT Contracts: Functional requirements development, acceptance procedures, and risk/security protocols.
- Services Contracts: Articulate service scopes, performance requirements, deliverables, and timelines.
- Construction Contracts: Explore construction design documents and contract formation, with discussion of procurements role in ensuring clarity and effective contract development.

Mastering Scope Development Best Practices: Discover a wealth of best practices, effective requirements development strategies, and adept writing and procurement review tips supported by real-world illustrations (the good and the bad).

Enhance your proficiency in contract specifications and scope of work development. Join us for an enlightening journey toward procurement excellence.

Sacramento

August 21, 2024
9AM - 3PM

Orange County

August 22, 2024
9AM - 3PM

\$95 member / \$235 non-member
Register Online and Pay by Credit
Card or Select Mailing Check.

Payments must be received by 8/14

To Register: [CAPPO.ORG/Events](https://www.cappo.org/events)

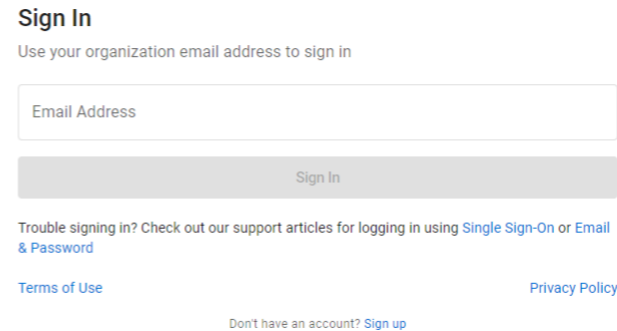
BLAZEforward Mentorship Program

in partnership with NIGP



Professional Development

- Custom Profile Matching Database
- 6-month Program
- Short and Long-Term Goal Setting
- Career Advice
- Professional Development
- Pre-Generated Agendas
- Scheduling Assistance



Over 25 successful Alliance mentorships to date!!

For any questions, please contact
Nicole.Swain@ocgov.com

PROFESSIONAL DEVELOPMENT MENTORSHIP PROGRAM



6-Month Program
Goal setting
Professional Development
Custom Profile Matching Database
Pre-Generated Agendas & Scheduling

Sign up Now!



Prize for Alliance Member who can get the most sign-ups!

Trailblazer Internship Program



- Collaboration with local Universities/Colleges
- Marketing the Opportunity (LinkedIn, Govjobs, College postings)
- Maintaining Internship Candidate Index with pre-interviewed and readily available Interns
- On-Boarding Support, we can help

Over 12 interns
successfully placed
across County and
Alliance!

If you're interested in an intern,
please reach out to Nicole Swain at nicole.swain@ocgov.com

TRAILBLAZING INTERNSHIP PROGRAM



Provide job skills & firsthand experience
Professional & Personal growth
Mentorship
Career Discovery

Apply Now



*Internship is unpaid



NIGP - California Chapter



California
Official Chapter



NIGP The Institute for
Public Procurement



JOIN THE LOCAL CHAPTER TODAY!

Member Benefits

- ✓ NIGP-CPP Certification Support
 - ✓ Trainings/Webinars
- ✓ Professional Networking Opportunities
 - ✓ Document Library
 - ✓ Mentorship
- ✓ Regional Collaboration
- ✓ Latest and Greatest National Best Practices Shared

JOIN US!

California
Official Chapter

NIGP The Institute for
Public Procurement



Planning to be in Charlotte, NC for NIGP National Forum?



CALIFORNIA CONNECTION


MEET UP



Register here



Come join us for a night of baseball: Charlotte Knights v. Nashville Sounds at the Truist Field. Tickets are \$42 each. Credit Card only. Tickets include a two hour all-you-can-eat buffet of hot dogs, hamburgers, and pulled pork sandwiches in the Coronaa Rooftop covered area with access to a cash bar.

Tickets may be picked up at the NCAGP booth in the Registration Center. No refunds available.

 **Truist Stadium**
324 S Mint St
Charlotte, NC 28202

 **TUESDAY**
AUGUST 27, 2024
 **6PM EST**

For more Information - Karl Beil

karl.beil@mecklenburgcountync.gov

980-314-2033

Next Meeting



- October 2024
 - *Morning, or Afternoon Preferred?*
- Thank you to our Long Beach Alliance partners

Don't forget to follow the County's LinkedIn page for event updates, solicitations, employment opportunities, etc.

COUNTY OF ORANGE CALIFORNIA

County of Orange (Procurement)
Our Community. Our Commitment.
Government Administration · Santa Ana, California · 271 followers

Jacques works here · 4 employees

✓ Following Learn more More

Home My Company About **Posts** Jobs People Events

All Images Videos Articles Documents Ads

County of Orange (Procurement)
271 followers

County of Orange (Procurement)
271 followers
17h

NEW SOLICITATION: County of Orange seeks Mental Health Services Act Programming

...see more

Bid #RFP-017-2272402-CR - MENTAL HEALTH SERVICES ACT PROGRAMMING
County of Orange, CA CEO-County Procurement Office

Time left: 7 days, 22 hrs
Bid started: Jul 22, 2022 4:01:32 PM PDT
Bid ends: Aug 10, 2022 2:00:00 PM PDT

Register now for free!
Register for free to access Bid information and place offers on



CAPPO Business

➤ Chapter Health:

- As of Tuesday, 7/16/24, the OC Chapter has \$3,100.10 in the bank.

➤ Chapter Updates:

- The Chapter currently has a Treasurer vacancy that will be on the ballot this fall
- We are always looking for and taking volunteers!
- Chapter Pro-D and Co-Chairs are coordinating upcoming Chapter meetings & training and will announce via the webpage.



Reminders and Training

- Be sure to sign-in to receive your Continued Education certificate for today's training.

- **Contracting with Non-Profits in California**
Presenter: Chief Assistant County Counsel, Mr. James C. Harman

Questions??
Thank you!!



Contracting with Non-Profits in California

Presented by: James Harman,
Chief Assistant County Counsel



Bio: James Harman is the Chief Assistant County Counsel for the County of Orange (County). He oversees the legal advice and representation that 20 of the office's attorneys provide to County officials and agencies. Immediately prior to his current assignment, he served as the Health Care Agency's primary legal advisor for five years. From 1997 to 2012, James represented the County in litigation, with an emphasis in his practice on property tax and bankruptcy issues. Among other high-profile matters, he represented the County in its own bankruptcy and in the California Supreme Court.

James earned his J.D. from the University of San Diego School of Law and his B.A. from the University of California, Santa Barbara. James is admitted to practice in all California state and federal courts, as well as the Ninth Circuit Court of Appeals and the United States Supreme Court. Since 2000, James has served as an adjunct faculty member at Santa Ana College and, since 2015, as a lecturer at Chapman University's Fowler School of Law. In addition to other community activities, Mr. Harman chaired a city oversight redevelopment board and served as president of a long-standing nonprofit where he led his team in a successful turnaround of the organization from potential bankruptcy to long-term financial and programmatic stability.



Nonprofit Organizations

James C. Harman

Chief Assistant County Counsel

Office of the County Counsel, County of Orange

July 18, 2024

Outline

- Background and History
- Nonprofit defined
- Federal law classifications and Examples
- State law requirements
- Disclosure requirements and Information Tools
- Contracting with Nonprofits



Help Feed Hungry Children

Struggling children and families need your help more than ever during this COVID-19 crisis. Each dollar donated will provide \$7 worth of the food and essentials we are working tirelessly to get into the hands of the most vulnerable in the US and around the world.

Donation Amount

\$25	\$50	\$100
\$250	\$500	Other

\$10 minimum

Dedicate this donation to someone special

Donation Type

One Time Monthly

History

“Americans of all ages, conditions, and dispositions constantly unite together. Not only do they have commercial and industrial associations to which all belong but also a thousand other kinds, religious, moral, serious, futile...Americans group together to hold fetes, found seminaries, build inns, construct churches, distribute books...They establish prisons, schools by the same method...I have frequently admired the endless skill with which the inhabitants of the United States manage to set a common aim to the efforts of a great number of men and to persuade them to pursue it voluntarily.” Alexis de Tocqueville, *Democracy in America*

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- **Progressive era**
 - Gospel of Wealth
 - Red Cross, YMCA, National Jewish Welfare Board
- **World War II**
 - United Service Organization for the National Defense
 - March of Dimes
- **1970s**
 - 1969 Tax Reform Act increased deduction limits for donors, tightened rules on private foundations. Surge in donations to 501(c)(3) groups
 - 1976 Congress allowed nonprofits increased lobbying ability
- **2000s**
 - Online giving
 - Social media: ALS Ice Bucket Challenge, #BlackLivesMatter

Today

- **Big Business**

- Top ten charities in the United States earn more than \$1,000,000,000 in private donations annually
- In 2019, charities operating in California reported \$293 billion in revenue and \$854 billion in assets
 - How can a “nonprofit” amass such wealth?
 - Can a “nonprofit” run in the black?

Executive Compensation



- \$722,402 in 2022 for President of Carnegie Endowment for International Peace
- \$440,000 for CEO of Feed the Children in 2022
- \$890,000 for CEO of UNICEF in 2022
- \$550,000 for CEO of YMCA of Orange County in 2022
- \$4,069,000 for CEO of the American Heart Association in 2022
- \$44,000,000 for CEO of the NFL in 2013

Today

- **Small Business**
 - 118,000 nonprofit charitable organizations in California.
 - Nationally, 55% report less than \$50,000 in annual revenue. Only 7% with \$1 million or more in annual revenue.
 - 68% of revenue from donations and private fees for services. 32% from government grants and contracts.



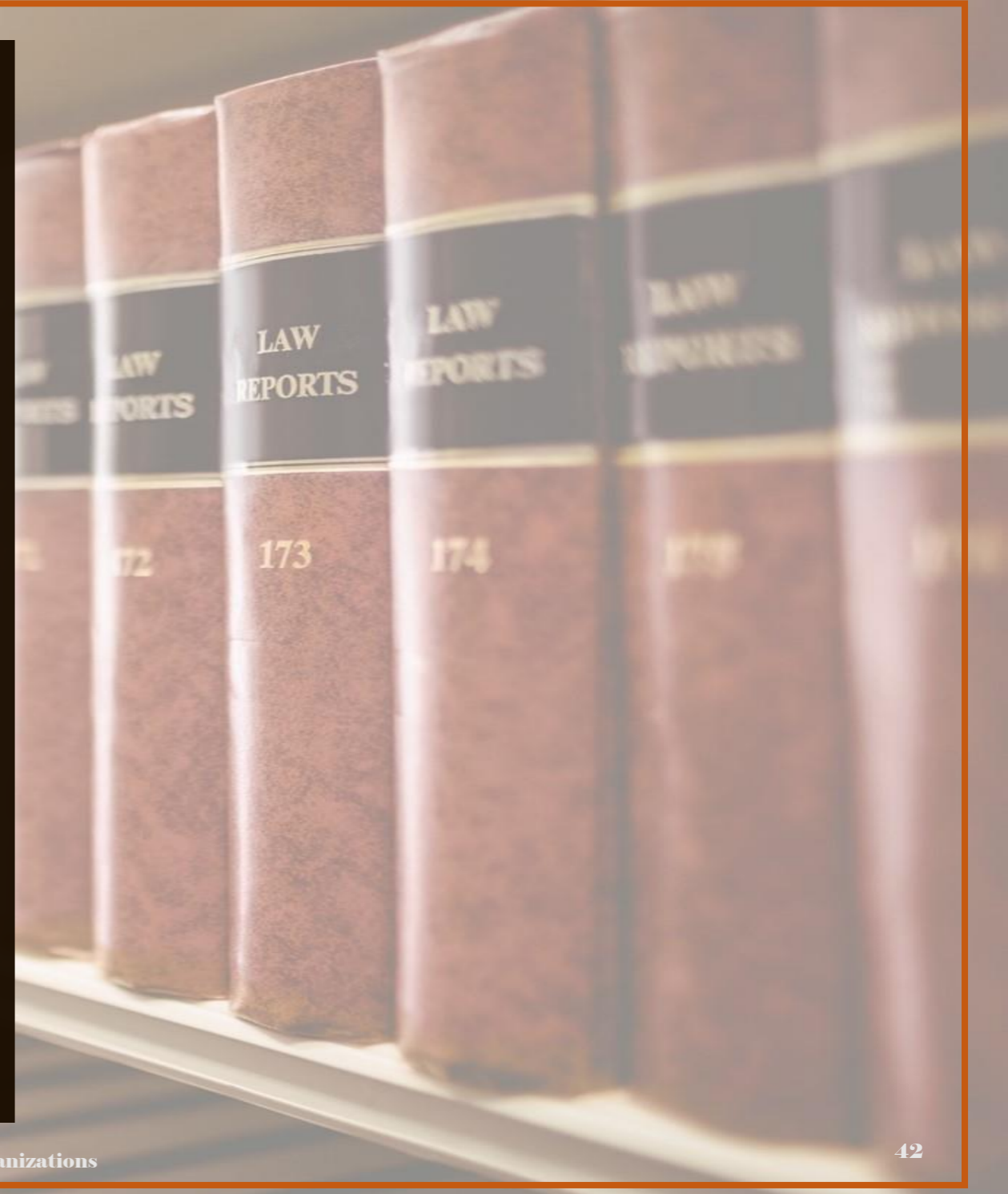


Benefits of Nonprofits

- Charities and other nonprofits, including those previously listed, provide innumerable valuable services
- Government relies on nonprofits for providing public services nimbly and efficiently
 - Tax policy incentivizes funding charitable services
 - Beneficiaries of public services may be more willing to receive services from a publicly-spirited nonprofit than they would from government or a for-profit entity
- Nonprofits provide a mechanism for organizing volunteer contributions to society

Risks of Nonprofits

- **Lack of adequate funding**
 - Fundraising becomes priority over mission
 - Restrictions on use of funds for administrative purposes
- **Mismanagement**
 - Not run like a business
 - Missing standards and controls
- **Nonprofits can mask wrongdoing**
 - Parents disguised college admissions bribes as donations to nonprofit
 - “Ex-O.C. cop guilty of stealing from charity football league” L.A. Times headline, December 19, 2012



Nonprofit Organization

No single definition, but a nonprofit is generally recognized as an entity not organized for private interests and where none of its net earnings inure to the benefit of an individual (i.e., no dividends).

Federal Definitions

- **26 USC 501:**

An organization described in subsection (c) or (d) or section 401(a) shall be exempt from taxation under this subtitle unless such exemption is denied under section 502 or 503.

- **Subsection (c)(3):**

Corporations, and any community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment), or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting, to influence legislation (except as otherwise provided in subsection (h)), and which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of (or in opposition to) any candidate for public office.

California Nonprofits

- States regulate nonprofits
- In California, four largest recognized types:
 - Public benefit corporation
 - Mutual benefit corporation
 - Religious corporation
 - Charitable trust



California Nonprofits

- **Considerations in forming nonprofit**
 - Irrevocable dedication of assets
 - Public disclosure of compensation
 - Charitable or commercial purpose
 - Donors or investors needed
- **Formation requirements**
 - Articles of incorporation, bylaws, EIN
 - Registration with the Attorney General may be required
 - Application for exempt status with IRS and FTB

California Nonprofits

- **Charitable nonprofits may be exempt from**
 - Income taxes
 - Property taxes
- **But, generally, they are not exempt from**
 - Wage and employment laws
 - Workplace safety laws
 - Sales taxes
 - Director and officer liability

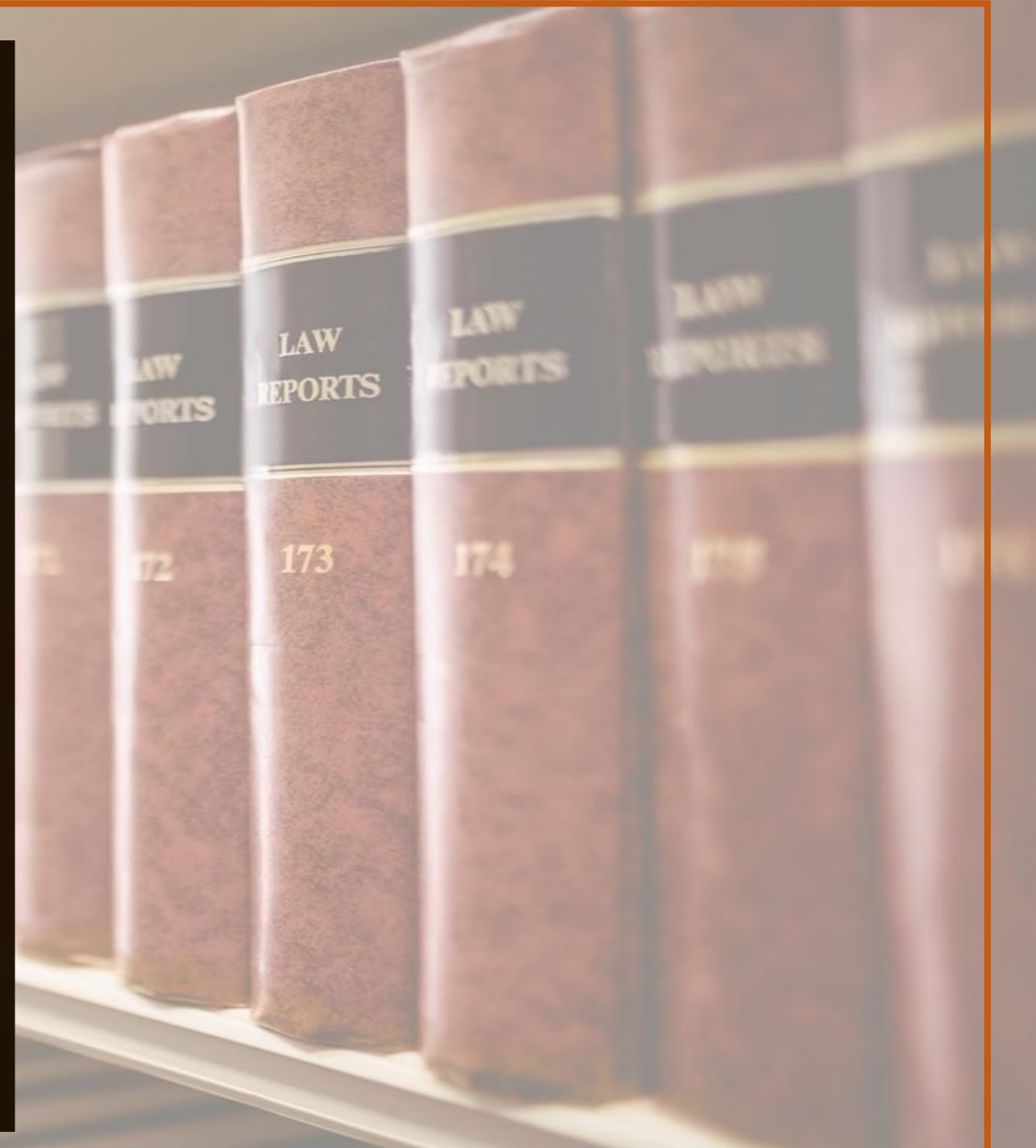


California Nonprofits

- **Fundraising**
 - Nonprofit must control fundraising
 - Special rules and registration requirements for bingo games and raffles
 - Commercial fundraisers must register with the Attorney General
- **Enforcement**
 - Attorney General Charitable Trust Section
 - District Attorney

Disclosure

- **Federal**
 - Form 990
 - Governance and director compensation
 - Purposes of organization
 - Revenues and expenditures
 - Donation types/amounts, not donor identities
 - Political and religious organizations
- **State**
 - RRF-1 Form: disclosure of red flag items for Attorney General, e.g., insider contracts, theft, raffles, vehicle donations



Disclosure = Tools for Info

- Form 990s:

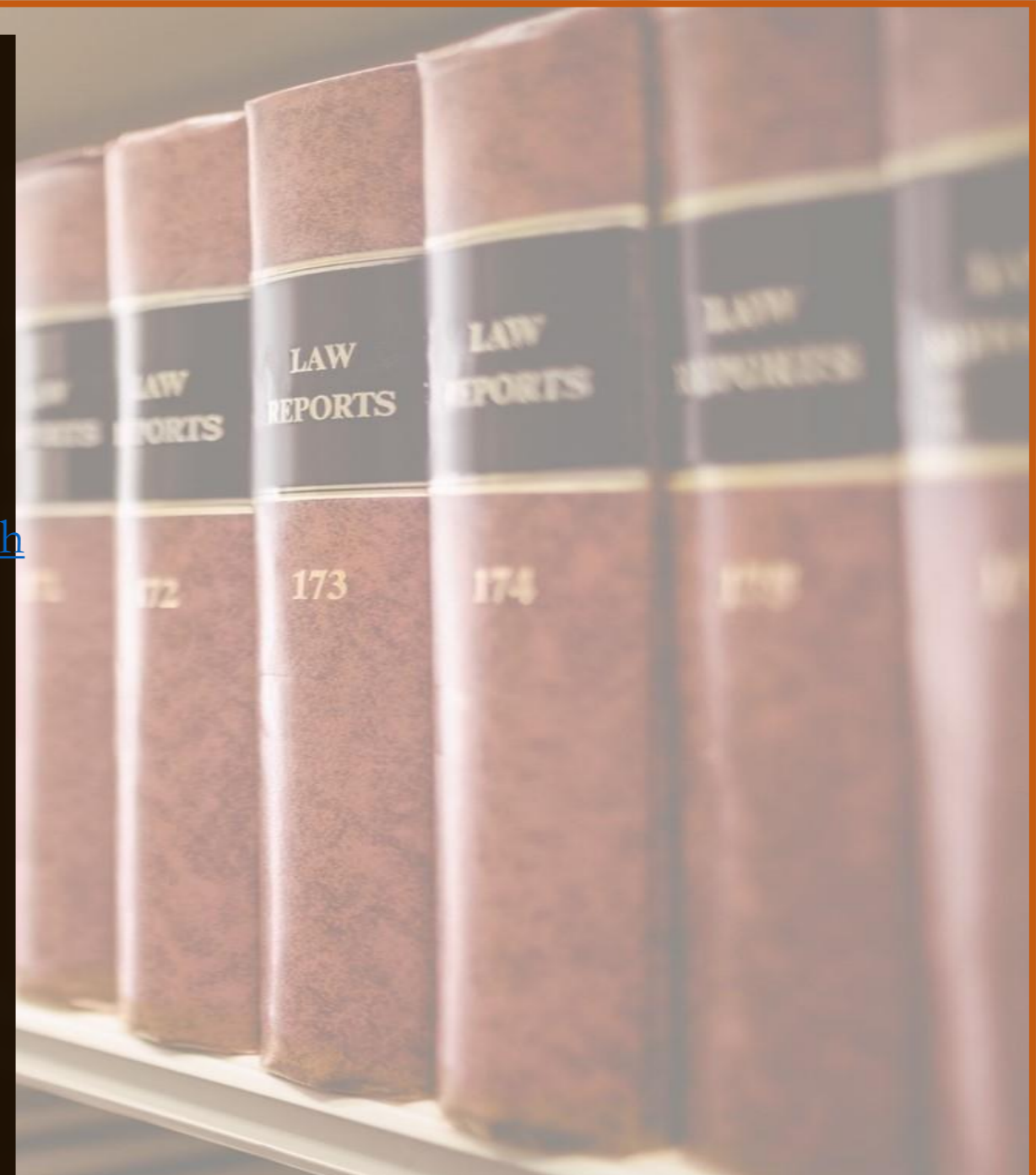
<https://candid.org/research-and-verify-nonprofits/990-finder>

- State Charity Registry:

<https://rct.doj.ca.gov/Verification/Web/Search>

- Other Resources:

- Charity Navigator
- Charity Watch
- National Center for Charitable Statistics



A close-up photograph of a silver metal padlock attached to a brown leather bag. The padlock is in the center-left of the frame, with a keyhole visible. The leather is textured and shows some wear. The background is dark and out of focus.

Local Government & Nonprofits

- Nonprofits interact in numerous ways with counties, cities, special districts, including:
 - Property tax exemptions
 - Contracts for services
 - Accountability
 - Labor/management
 - Donations received
 - Political Reform Act/FPPC
 - Conflict of Interest
 - Behested payments
 - Gifts and exception for fundraisers

Contracting with Nonprofits

- **Like other businesses, nonprofit corporate entities must be in good standing with the California Secretary of State to do business in the state.**
 - A corporation that is in suspended status with the Secretary of State due to the corporation's tax delinquency may not engage in business in California. (Rev. & Tax. Code, § 23301.)
 - A nonprofit corporation that is not in good standing lacks the power to contract.
- **If a charity is required to register with the Attorney General, then it must be in good standing with the Attorney General to operate as a charity. (Cal. Code Regs., tit. 11, § 999.9.4.)**
 - Even if the nonprofit charity has the legal power to contract, does your agency want to be in business with an organization that the Attorney General says is not in legal compliance?



Contracting with Nonprofits

- **Tips**

- **Ensure nonprofit is in good standing with the IRS, the California Secretary of State, and the California Attorney General.**
- **While recognizing the public benefit behind the nonprofit, be mindful that they are engaging in business transactions and should be held to same standards as other businesses.**
 - Adjust standards as appropriate for the differences between nonprofit and for-profit schemes, such as adjusted cost principles
 - Ensure public funds are not used to support costs for fundraising, advocacy, or other items unrelated to public project
 - Require insurance, indemnity, and other obligations expected of private, for-profit vendors





Questions?

