Title: Regulatory and Internal Control Framework for the City’s COVID-19 Response

Location: Citywide

Recommendation: Pass a Motion adopting the attached Regulatory and Internal Control Framework for the City’s COVID-19 Response describing the framework of regulations and policies that will guide the City in its response to COVID-19 and maximize the City’s eligibility for State and Federal resources.

Contact: Jordan Sweeney, Senior Fiscal Policy Analyst, 916-808-2310, Office of the City Auditor

Presenter: Jorge Oseguera, City Auditor, (916) 808-7270, Office of the City Auditor; Susana Alcala Wood, City Attorney, (916) 808-5346, Office of the City Attorney

Attachments:
1-Description/Analysis
2-Regulatory and Internal Control Framework
Description/Analysis

**Issue Detail:** On January 31, 2020, the Federal Health and Human Services Secretary declared a public health emergency to aid the nation’s healthcare community in response to the outbreak of COVID-19 in the United States. On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency, and subsequent state and county-wide orders were issued directing all persons to stay at home except to obtain or provide certain essential services.

These stay-at-home orders to combat COVID-19 have had a dramatic financial impact on the citizens of the City of Sacramento and the City’s revenues. Similar financial effects have been felt nationwide.

In response, the federal government has passed several bills to address the COVID-19 crisis, including the Families First Coronavirus Response Act and the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Future bills are anticipated to provide additional relief.

The CARES Act included $150 billion for states and local governments for “necessary expenditures incurred due to the public health emergency with respect to” COVID-19. As a city with a population over 500,000, the City of Sacramento is eligible for and received approximately $89 million to aid in its response to COVID-19 under the CARES Act on April 21, 2020. In addition, the City is eligible for various grants and Federal Emergency Management Agency (FEMA) reimbursement for certain COVID-19 related expenses. On April 1, 2020, the City submitted its Request for Public Assistance to FEMA to ensure its eligibility for FEMA reimbursement.

**Purpose of this Document**

During a declared emergency, governments face substantial pressure to quickly expend emergency funds to assist the community’s recovery. Critical to ensuring that the City’s recovery efforts are ultimately a success is the simultaneous establishment of processes and controls that will ensure scarce public funds are used in an efficient, effective, transparent, and fully accountable manner. The attached Regulatory and Internal Control Framework will aid the City in responding to the COVID-19 crisis by outlining the various City policies that are critical to the proper expenditure of state and federal funding to assist in COVID-19 mitigation and recovery. This framework centralizes key pieces of information and establishes the City’s commitment to be both responsive to the emergency and responsible stewards of public funds.

The framework contemplates that as the City Council establishes its spending priorities and develops programs for COVID-19 recovery, the details of those programs will be adopted by Council resolutions and will be incorporated into this framework.
Any funds received and spent by the City will be subject to a future audit. Compliance with City policies and procedures, federal regulations, and any additional guidance provided by funding agencies, is required to ensure that no state or federal funding has to be returned in the future.

**Policy Considerations:** The attached Regulatory and Internal Control Framework is consistent with the City’s existing policies.

**Economic Impacts:** Compliance with the proposed Regulatory and Internal Control Framework for the City’s COVID-19 Response sets forth the various regulations and policies that will assist the City in maximizing the funding available to the City from state and federal resources for combatting COVID-19 and working toward economic recovery.

**Environmental Considerations:** None.

**Sustainability:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Staff recommends adoption of the proposed Regulatory and Internal Control Framework for the City’s COVID-19 Response to centralize information on the regulatory restrictions applicable to state and federal funds available to the City and to provide guidance to staff implementing City Council programs and priorities in compliance with all applicable restrictions.

**Financial Considerations:** The formulation of this Regulatory and Internal Control Framework Document may be reimbursable with state or federal funds. The various City Council programs and priorities that will be incorporated in Appendix A of the Regulatory and Internal Control Framework and the activities carried out in accordance with those programs and priorities will be reimbursable with state or federal funds. The approval of this Framework will help provide guidance to staff on compliance with applicable regulations to maximize the City’s ability to utilize and retain state and federal funding for COVID-19 programs and priorities.

**Local Business Enterprise (LBE):** Not applicable.
CITY OF SACRAMENTO
Regulatory and Internal Control Framework for the City’s COVID-19 Response
April 2020
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1.0 Purpose of This Document

The purpose of this document is to describe the general regulatory and internal control framework the City of Sacramento will operate under for the City’s COVID-19 response and all COVID-19 related activities. This document is an essential resource for the City as it identifies key COVID-19 regulatory and internal control information that can aid in maximizing the City’s eligibility for State and Federal resources. This document is a general guide for the City to use. For the purposes of this document, COVID-19 refers to the Coronavirus Disease 2019 as defined by the Centers for Disease Control (CDC)\(^1\).

2.0 Mayor and City Council Priorities

The Mayor and City Council are the governing body for the City of Sacramento. It is the priority of the Mayor and City Council to protect the public health of the community. The Mayor and City Council are committed to mitigating both the health and economic effects of COVID-19. The Mayor and Council will be establishing priorities and programs to mitigate the economic impacts and making investments in the community to aid in Sacramento’s economic recovery. In doing so, the City will ensure it is done in a manner that is efficient and effective, inspires innovation, and increases the public’s trust.

Priorities and programs will be established by resolution of the Council. Such resolutions and any guidance provided from federal or state entities providing funding for such programs and priorities will be incorporated into this framework in Appendix A.

3.0 Background

3.1 Coronavirus Disease 2019 (COVID-19) Declared a National Emergency

On January 31, 2020, the Federal Health and Human Services Secretary declared a public health emergency to aid the nation’s healthcare community in responding to the outbreak of COVID-19 in the United States.

On March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of COVID-19 in the State of California.

On March 5, 2020, Sacramento County proclaimed a public health emergency and a local emergency in order to ensure appropriate resources and funding are available to the County in its response to COVID-19.

On March 11, 2020, the World Health Organization characterized the COVID-19 outbreak as a pandemic.

On March 13, 2020, the Sacramento City Council declared a local emergency in the City of Sacramento, California.

\(^1\) According to the Centers for Disease Control (CDC), the Coronavirus Disease 2019 (COVID-19) is an illness caused by a virus that can spread from person to person causing a range of symptoms from mild to severe illness. The most common symptoms of COVID-19 include fever, cough, fatigue, and shortness of breath.
On March 13, 2020, the President of the United States declared the COVID-19 outbreak a national emergency, beginning March 1, 2020.

On March 19, 2020, the Health Officer of the County of Sacramento issued an order directing all persons living in the county to stay at home, except to obtain or provide certain essential services.

On March 19, 2020, Governor Newsom issued Executive Order N-33-20, ordering all individuals living in the State of California to stay home or at their place of residence, except as needed to maintain continuity of operations in critical infrastructure sectors.

On April 7, 2020, the Health Officer of the County of Sacramento issued a second order superseding the March 19, 2020 order. The April 7, 2020 order extended the stay at home period and imposed additional constraints to slow transmission of COVID-19.

3.2 COVID-19 Laws and Regulations

A regulatory framework is the structure of regulations designed to facilitate policy development, regulatory program development and implementation, and regulatory effectiveness and program evaluation.

3.2.1 Coronavirus Aid, Relief, and Economic Security Act (CARES Act)

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law.

3.2.1.1 Coronavirus Relief Fund

As part of the CARES Act, $150 billion was made available to States, Tribal governments, and units of local government with populations exceeding 500,000. With a population of approximately 508,000, the City of Sacramento became eligible for nearly $89 million from the Coronavirus Relief Fund. On April 15, 2020, the City of Sacramento completed the certification process requesting its share of the Coronavirus Relief Fund. These funds were received on April 21, 2020.

Use of Funds

Payments from the Coronavirus Relief Fund may only be used for costs that: “(1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); (2) were not accounted for in the budget most recently approved as of the date of enactment of this section for the State or government; and (3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.” Guidance on the use of payment from the Coronavirus Relief Fund was provided by the Federal Treasury on April 22, 2020, and is available at: https://home.treasury.gov/system/files/136/Coronavirus-Relief-Fund-Guidance-for-State-Territorial-Local-and-Tribal-Governments.pdf.

Oversight Authority

To ensure States and units of local governments use the money dispersed from the Coronavirus Relief Fund appropriately, the CARES Act designated the Inspector General of the Department of the Treasury as the oversight authority. If the Inspector General of the Department of the Treasury determines that a State or unit of local government failed to comply with the use of funds requirements, the amount equal

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2 Section 601 (d) of the Social Security Act as added by Section 5001 of the CARES Act.
to the amount of funds used in violation shall be booked as a debt of such entity owed to the Federal Government.

3.2.1.2. Additional Funding Opportunities Through the CARES Act

In addition to the Coronavirus Relief Fund, the CARES Act provided funding to numerous federal agencies. While some of this funding will be used to support the federal agencies’ response to COVID-19, some funding will pass through the agencies and be offered as grants and other funding that could be utilized by the City. For example, the Department of Commerce’s Economic Development Administration received $1.5 billion for “Economic Development Assistance Programs” to remain available until September 30, 2022, to prevent, prepare for, and respond to coronavirus, domestically or internationally, including for necessary expenses for responding to economic injury as a result of coronavirus.

Each pass-through agency will establish its own regulations for use of funds and the City will comply with any and all regulations and requirements for the use of funding awarded to the City.

3.2.2 Federal Emergency Management Agency (FEMA)

The Federal Emergency Management Agency (FEMA) provides financial assistance to states, territories, tribes, local governments, nonprofits, institutions of higher education, and other non-Federal entities. On April 1, 2020, the City of Sacramento applied for FEMA’s Public Assistance program which is a reimbursement program that provides federal funding to help communities respond to and recover from disasters.

3.2.2.1 California’s Office of Emergency Services (Cal OES)

California’s Office of Emergency Services (Cal OES) is responsible for the coordination of overall state agency response to disasters, assuring the state’s readiness to respond to and recover from all hazards, and serves as the pass-through entity for FEMA funding. Additionally, Cal OES assists local governments in their emergency preparedness, response, recovery, and mitigation.

Generally, Cal OES acts as the point of contact for local governments seeking FEMA public assistance. The City will work directly with Cal OES to request Public assistance related to COVID-19.

Use of Funds

In accordance with section 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5207 (Stafford Act), eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials may be reimbursed under Category B of FEMA’s Public Assistance program. Examples of costs eligible for reimbursement include:

- Emergency Operation Center costs
- Training specific to the declared event
- Disinfection of eligible public facilities
- Technical assistance to state, tribal, territorial, or local governments on emergency management and control of immediate threats to public health and safety
- Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
- Related medical facility services and supplies
• Temporary medical facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot accommodate the patient load or to quarantine potentially infected persons)
• Use of specialized medical equipment
• Medical waste disposal
• Emergency medical transport
• Household pet sheltering and containment actions related to household pets in accordance with CDC guidelines
• Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits
• Movement of supplies and persons
• Security and law enforcement
• Communications of general health and safety information to the public
• Search and rescue to locate and recover members of the population requiring assistance
• Reimbursement for state, tribe, territory and/or local government force account overtime costs

Oversight Authority
The Department of Homeland Security’s Office of the Inspector General provides oversight of FEMA and conducts audits of recipients of FEMA funding. The Inspector General has the authority to question appropriate use of funds and make recommendations for FEMA to recover funds used for expenses deemed ineligible of FEMA public assistance.

3.3 Single Audit Act Amendments of 1996 (Single Audit Act)
The Single Audit Act Amendments of 1996 (Single Audit Act) were enacted to streamline and improve the effectiveness of audits of federal awards expended by states, local governments, and not-for-profit entities, as well as to reduce audit burdens. Amendments include uniform administrative requirements, cost principles, and audit requirements for federal awards found in Chapter 2 of the Federal Acquisition Regulations, Part 200. Single Audits are required when a non-federal entity expends $750,000 or more in federal funds in one year. Single Audits are performed by independent auditors and encompass both financial and compliance components.

3.3.1 What This Means for the City of Sacramento
The City of Sacramento will be subject to future audits of State or Federal funds received by the City; these audits would likely be conducted by an Inspector General’s Office or the Government Accountability Office. The key to successfully withstanding any future audit will be the City’s ability to provide sufficient and appropriate documentation regarding the use of State and Federal funds in response to COVID-19. Adhering to the City’s COVID-19 key internal controls described in the next section will help the City to demonstrate that all State and Federal funds were used appropriately and in accordance with all regulatory requirements.

4.0 COVID-19 Key Internal Controls
Internal controls are processes adopted by an entity’s oversight body, management, and other personnel that provide reasonable assurance that the objectives of an entity will be achieved. Well-developed COVID-19 internal controls will help the City maximize State and Federal funding resources and prevent any fraud, waste, or abuse.
4.1   Types of Internal Controls
There are many different types of internal controls that can be used to provide reasonable assurance
that the objectives of an entity will be achieved. Below is a description of the City’s existing regulatory
framework and key internal controls utilized by the City of Sacramento.

4.1.1   City Charter
The City of Sacramento City Charter establishes Sacramento as a charter city and outlines the powers
and authority of the City Council, Mayor, City Manager, and other appointed officers such as the City
Clerk, City Attorney, City Treasurer, and the City Auditor. Examples of key internal controls established in
the City Charter can be found in the following sections: (1) Article VII regarding Civil Service; (2) Article IX
regarding Fiscal Administration; and (3) Article XIV regarding Public Contracts and Supplies.

4.1.2   City Code
The City of Sacramento City Code establishes local regulations and procedures for items such as revenue
and finance, ethics and open government, business licenses and regulations, health and safety, vehicle
and traffic, and public services. Examples of key internal controls established in the City Code can be
found in the following sections: (1) Chapter 2.16, prohibiting conflicts of interest and providing that any
employee violating the prohibitions against conflicts of interest can be disciplined in accordance with
the Civil Service Rules; (2) Chapter 2.116, establishing the powers of the Director and Assistant Director
of emergency services to act in an emergency; (3) Chapter 3.04, which establishes the City Manager’s
authority to approve expenditures; (4) Chapters 3.56, 3.60, and 3.64, which establish rules for the
purchase of supplies and services and the construction of public projects; (5) and Chapter 4.02, setting
forth the “Sacramento Code of Ethics.”

4.1.3   City Policies and Procedures
The City of Sacramento has developed numerous policies and procedures to guide staff in performing
work. Citywide policies ensure consistent practices, while departmental, division, and lower level
procedures supplement Citywide policies and guide staff in more granular operations. Examples of key
internal controls established in City Policies and Procedures can be found in the following policies: (1) AP
4001, concerning the procurement of supplies; (2) AP 4002, concerning the contracting process for
constructing public projects; (3) AP 4101, concerning the procurement of non-professional services; (4)
AP 4102, concerning the procurement of professional services; (5) AP 2002, concerning P-Card
purchases; (6) AP 4003, the City’s Sustainable Purchasing Policy; (7) the Signing Authority Policy; (8) the
Records Management Policy; (9) Council Rules of Procedure; (10) the Development Stabilization
Contingency Reserve and Development Services Fund Management Policy; (11) the Budget Control
Policy; (12) the Public Records Request Policy; and (13) the Annual Budget Resolution, as amended from
time to time. Additional policies and details regarding many of the policies relevant to responding to the
COVID-19 emergency are set forth in Section 5.0 below.3

Staff throughout the City regularly review City policies to determine whether any amendments are
required and are continuing to do so in light of the current emergency. Revisions to any policies will be
approved by the City Manager’s Office or the City Council, as appropriate. Amendments may be
necessary to ensure compliance with funding-specific requirements, such as strengthening information

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3 These policies, and those listed in Section 5.0, can be found at: [https://www.cityofsacramento.org/City-Hall/Policies-and-Procedures](https://www.cityofsacramento.org/City-Hall/Policies-and-Procedures), unless otherwise noted.
system controls, ensuring the segregation of duties, and building in appropriate levels of management review, as described below.

4.1.3.1 Conflict of Interest Code adopted pursuant to the Political Reform Act
In addition to the Sacramento Code of Ethics and other conflict of interest policies referenced in sections 4.1.2 and 4.1.3 above, the City has adopted a Conflict of Interest Code pursuant to the Political Reform Act. The City’s Conflict of Interest Code requires employees holding designated positions to disclose their financial interests to help avoid conflicts of interest.

4.1.3.2 Information System Controls
Information system controls are controls within information management systems that deter or prevent unwanted behaviors; the information management system is designed to allow or not allow certain behavior. For example, the City’s payroll processing system prevents an employee from approving their own timesheet. Where applicable, the City of Sacramento will implement information system controls in its COVID-19 response.

4.1.3.3 Segregation of Duties
Segregation of duties is a basic building block of sustainable risk management and internal controls. The principle of segregation of duties is based on shared responsibilities of a key process that disperses the critical functions of that process to more than one person or department. This separation in key processes reduces the risk of fraud and error.

4.1.3.4 Management Review
Management review and approval processes are a standard control in any organization. Management review consists of having supervisors or managers review the work of lower level staff and providing approval before transactions become final. Management review provides a double check to ensure transactions are processed accurately and can serve as a deterrent for fraud, waste, and abuse.

5.0 Key Citywide Personnel and Activities in the City’s COVID-19 Response
The City of Sacramento’s COVID-19 Response will likely entail a wide variety of activities by the City Council, the City Manager’s Office, and all other City staff. The following sections list key personnel who will be engaged in the COVID-19 response, key activities, and key policies that govern these activities.

5.1 Mayor and City Council
In their role as the City’s governing body, the Mayor and City Council will oversee the City’s COVID-19 response. The Council Rules of Procedure is the key policy guiding the Mayor and City Council’s interaction with City staff and procedures for executing the City’s COVID-19 response.

5.2 The City Manager’s Office and Office of Emergency Management (SacOEM)
The City Manager’s Office of Emergency Management (SacOEM) coordinates communication, planning, preparedness, response, and recovery during all hazards affecting the Sacramento community. SacOEM also manages the Emergency Operations Center (EOC), which is staffed with City personnel who are trained to ensure unified, enduring support to first responders and the community for the duration of any disaster. SacOEM staff are knowledgeable of FEMA regulations and will be a key asset in seeking FEMA reimbursement.
5.3 Emergency Medical Services and Public Safety
The Fire Department’s Emergency Medical Services Division facilitates the delivery of Basic Life Support (BLS) and Advanced Life Support (ALS) first responder and transportation services. These emergency medical services will be a key activity in the City’s COVID-19 response. Therefore, the City’s Advanced Life Support (ALS) Revenue Recovery Policy will be important in the City’s COVID-19 response.

5.4 Community and Economic Development
The City’s COVID-19 response will likely encompass both community and economic development. Therefore, the City’s Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management Policy will be important in the City’s COVID-19 response.

5.5 Human Resources
An integral piece of the City’s COVID-19 response is its use of City staff to accomplish tasks and activities. While many City employees have retained their normal roles and responsibilities in the wake of COVID-19, some employees had to take on new roles and responsibilities as part of the City’s COVID-19 response. It is imperative that City staff track their time spent responding to COVID-19 in a manner consistent with current City policies and agreements. The following table contains the key policies that govern the City’s human resources and payroll practices that could affect the City’s COVID-19 response.

Table 1: Human Resources Key Policies and Procedures

<table>
<thead>
<tr>
<th>Policy or Agreement Name</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Handbook</td>
<td>To provide a summary of the city policies, employee working conditions, and benefits.</td>
</tr>
<tr>
<td>Illness and Injury Prevention Program Procedures</td>
<td>To integrate all of the policies and procedures intended to identify and control occupational hazards.</td>
</tr>
<tr>
<td>Leave Administration</td>
<td>To provide guidance in administering non-industrial leave for eligible employees as required by state and federal law and consistent with Rules and Regulations of the Civil Service Board and labor agreements.</td>
</tr>
<tr>
<td>Nepotism and Conflict of Interest</td>
<td>To avoid conflicts of interest, as well as situations that may impair objective judgment or bias.</td>
</tr>
<tr>
<td>Sick Leave</td>
<td>To ensure consistency with the administration of sick leave throughout the City and is intended to ensure compliance with applicable leave laws.</td>
</tr>
<tr>
<td>Volunteer Coordination</td>
<td>To ensure compliance with rules related to volunteer services</td>
</tr>
<tr>
<td>Telecommuting Program</td>
<td>To allow specified employees to telecommute, subject to supervisor approval</td>
</tr>
</tbody>
</table>

Source: [https://www.cityofsacramento.org/City-Hall/Policies-and-Procedures](https://www.cityofsacramento.org/City-Hall/Policies-and-Procedures)

In addition to the above Citywide policies, the City’s labor agreements govern some human resources and payroll processes. The City’s current memorandums of understanding and letters of understanding can be found at [https://www.cityofsacramento.org/HR/Divisions/Labor-Relations/Labor-Agreements](https://www.cityofsacramento.org/HR/Divisions/Labor-Relations/Labor-Agreements).

An additional element that will be paramount in the City maximizing COVID-19 resources, is the sufficient and appropriate documentation of employee time spent on the City’s COVID-19 response. As
such, the City’s Office of Emergency Management released guidance entitled COVID-19 Emergency Response Timesheet Tracking for Personnel\(^4\) for City employees on the proper documentation of time spent working on the City’s COVID-19 response. Additional guidance on use of sick leave amidst COVID-19 is also available.

5.6 Fiscal and Procurement

Many projects or programs related to the COVID-19 response will require the procurement of emergency goods or services. The Department of Finance’s Procurement Services Division is responsible for providing guidance on the purchase of supplies and services and contract administration. The Procurement Services Division manages Citywide contracts; while other City department staff are responsible for contract management for contracts needed by their department. The following table contains the key policies and procedures that govern the City’s fiscal and procurement practices.

Table 2: Fiscal and Procurement Key Policies and Procedures

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget Control</strong></td>
<td>To ensure the City makes informed fiscal decisions that take into account the full costs, in terms of dollars and service impacts, of implementing spending increasing during the fiscal year.</td>
</tr>
<tr>
<td><strong>Cash Handling</strong></td>
<td>To provide all City departments with guidelines for handling cash when it is received by a City department for payment of a City debt, deposit, tax, or fee for service.</td>
</tr>
<tr>
<td><strong>Purchase Card Program</strong></td>
<td>To provide guidance for use of the Purchasing Card for making purchases of supplies and services.</td>
</tr>
<tr>
<td><strong>Non-Professional Services</strong></td>
<td>To ensure that all contracting functions are performed in compliance with applicable Federal, State and City laws, regulations, ordinances and policies, to ensure uniform and consistent application of the procurement process, and to ensure fairness, open competition, and competitive pricing.</td>
</tr>
<tr>
<td><strong>Procurement of Supplies</strong></td>
<td>To ensure that all procurement functions are performed in compliance with applicable Federal, State and City laws, regulations, ordinances and policies, to ensure the uniform and consistent application of the procurement process, and to ensure fairness, open competition, and competitive pricing.</td>
</tr>
<tr>
<td><strong>Professional Services</strong></td>
<td>To ensure that all contracting functions are performed in compliance with applicable Federal, State and City laws, regulations, ordinances and policies, to ensure uniform and consistent application of the procurement process, and to ensure fairness, open competition, and competitive pricing.</td>
</tr>
<tr>
<td><strong>Public Project</strong></td>
<td>To ensure that all contracting functions are performed in compliance with applicable Federal, State and City laws, regulations, ordinances and policies, to ensure uniform and consistent application of the procurement process, and to ensure fairness, open competition, and competitive pricing.</td>
</tr>
</tbody>
</table>

\(^4\)This policy can be found at: [http://www.cityofsacramento.org/HR/Covid19-Faq](http://www.cityofsacramento.org/HR/Covid19-Faq)
In addition to Citywide policies governing procurement practices, Sacramento City Code section 2.16.010 addresses potential conflicts of interest, stating:

“No city employee shall engage in any employment, activity, or enterprise from which the employee receives compensation or in which the employee has a financial interest and which is funded, all or in part, by the city or any city department through or by a city contract unless the employment, activity, or enterprise is required as a condition of the employee’s regular city employment. No city employee shall contract on his or her own individual behalf as an independent contractor with the city or any city department to provide services or goods.”

The City will follow its procurement practices, and any additional requirements imposed by Federal or State funding agencies to expend Federal COVID-19 resources appropriately.

5.7 Documentation
The City of Sacramento maintains City documents in accordance with the City’s Records Management Policy and record retention schedule. Documents created as part of the City’s COVID-19 response should be kept, at a minimum, in accordance with the City’s Records Management Policy; however, the City could be required to maintain documents for longer periods of time to comply with federal funding regulations. The City will maintain COVID-19 documents in compliance with the City’s Records Management Policy and federal funding regulations, whichever is longer.

It should be noted that documents associated with the City’s COVID-19 response could be subject to a Public Records Act request. If a request is made, the City will respond to the request in accordance with the City’s Public Records Request Policy.

5.8 Advice and Counsel
On-going monitoring enables management to assess the effectiveness of controls and detect associated risk issues, improve business processes and activities while adhering to ethical and compliance standards, and execute more timely quantitative and qualitative risk-related decisions.

Office of the City Attorney
The City Attorney’s Office interprets laws and provides guidance on risks associated with various courses of action. The CAO will review proposed projects and actions generated in response to COVID-19 for compliance with federal, state, and local law, guidelines, and policies.

5.9 Independent Review
Office of the City Auditor
The Office of the City Auditor provides independent, objective, and reliable information regarding the City’s ability to meet its goals and objectives, and establish an adequate system of internal controls. In many cases, this involves verifying compliance with laws and regulations, assessing the efficiency and effectiveness of the City’s operations, and identifying internal control weaknesses and failures.
In response to COVID-19, the Office of the City Auditor included the project *Assessments of Revenues and Expenses Associated with the City’s COVID-19 Response* in its fiscal year (FY) 2020-2021 Annual Audit Plan. The plan states, “These assessments will help the City prepare for Federal or State audits of the City’s use of emergency funding. We will provide proactive and real-time assistance in complying with regulatory requirements, securing reimbursements, tracking disaster recovery costs and evaluating whether funds are being used efficiently and effectively.”

As such, the Office of the City Auditor will perform on-going monitoring and assistance to help ensure the City complies with regulatory requirements, maximizes its use of State and Federal resources, and uses funds efficiently and effectively. The Office of the City Auditor will follow its office policies and procedures.\(^5\)

**Whistleblower Hotline**

In the interest of public accountability and being responsible stewards of public funds, the City of Sacramento established an enhanced whistleblower hotline in 2012. The Whistleblower Hotline allows City employees and members of the public to report potential fraud, waste, and abuse without the fear of retaliation. The hotline protects the anonymity of those leaving tips to the extent permitted by law.\(^6\)

City employees and residents can use the Whistleblower Hotline to report potential fraud, waste, and abuse related to COVID-19. The hotline has already received COVID-19 related tips and we encourage City employees and residents to continue submitting COVID-19 related tips as the City’s COVID-19 response continues.

The Office of the City Auditor manages the City’s Whistleblower Hotline. Policies and procedures related to the management of the Whistleblower Hotline are included in the Office of the City Auditor office policies and procedures.\(^5\) The City’s Whistleblower Protection Policy contains additional information related to the Whistleblower Hotline.

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\(^5\) Office of the City Auditor policies and procedures can be found at: https://www.cityofsacramento.org/Auditor/About-Us/Office-Policies-and-Procedures

\(^6\) California State whistleblower regulations can be found at: https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=GOV&sectionNum=53087.6
Appendix A: Priorities and Programs Established by Council
RESOLUTION NO. 2020-0152

Adopted by the Sacramento City Council

May 26, 2020

Accept Grant Funding and Establish Emergency Programs Related to Coronavirus Disease 2019 (COVID-19)

BACKGROUND


B. On March 5, 2020, the County of Sacramento proclaimed a public health emergency as a result of the threat of COVID-19 (pandemic) in the county.

C. On March 13, 2020, the City Council adopted a resolution declaring a local emergency relating to the pandemic.

D. On April 21, 2020, the City received $89.6 million from the Coronavirus Aid, Relief and Economic Security (CARES) Act and on April 17, 2020, received $0.3 million from the CARES Act specific to delivery of emergency medical services (EMS).

E. On May 12, 2020, the City Council held a workshop to discuss a Coronavirus Relief Fund framework and funding priorities for expenditure of the $89.6 million. During the workshop Council and stakeholders expressed overall interest in funding programs and projects that, among other things, provide small business assistance, get people back to work, offer opportunities for youth enrichment, address homelessness and housing issues, and support the arts and tourism industries that were directly impacted by this pandemic.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager or his designee is authorized to accept the $89.6 million CARES funding from the US Treasury and $0.3 million CARES funding from the US Department of Health and Human Services.

Section 2. The City Manager or his designee is authorized to establish the Federal CARES Act Fund (Fund 2704).
Section 3. The City Manager or his designee is authorized to establish the COVID-19 grant programs and establish revenue and expenditure budgets and realign existing funding within the various grant programs as outlined below:

<table>
<thead>
<tr>
<th>Federal CARES Act Fund (Fund 2704)</th>
<th>FTE</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coronavirus Relief Fund (CRF)</td>
<td></td>
<td>89,623,428</td>
<td>89,623,428</td>
</tr>
</tbody>
</table>

**Program / Program Descriptions**

<table>
<thead>
<tr>
<th>COVID-19 CARES Act (G02610100)</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm to Fork Al Fresco Dining</td>
<td>1,000,000</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Council Community Impact Funding</td>
<td>450,000</td>
<td>450,000</td>
</tr>
<tr>
<td>Community Outreach</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>Digital Divide</td>
<td>1,050,000</td>
<td>1,050,000</td>
</tr>
<tr>
<td>Domestic Violence Intervention</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Family Mental Health Initiatives</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Financial Literacy</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Food Insecurity</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Central Labor Council Hotline</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Housing for Essential Staff</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Rental Mediation</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Youth Enrichment</td>
<td>2,250,000</td>
<td>2,250,000</td>
</tr>
<tr>
<td>Creative Economy</td>
<td>5,000,000</td>
<td>5,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Great Plates (G02610300)</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Relief to Small Business</td>
<td>11,100,000</td>
<td>11,100,000</td>
</tr>
<tr>
<td>Procurement of Emergency Supplies</td>
<td>250,000</td>
<td>250,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homeless Housing Initiative (I02000200)</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>St John Shelter and City of Refuge</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Homeless Mitigation (I15200200)</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Homeless Encampment Cleanup (supported by limited-term positions)</td>
<td>918,000</td>
<td>918,000</td>
</tr>
</tbody>
</table>

**Summary of Actions to Date**

<table>
<thead>
<tr>
<th>Summary of Actions to Date</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.00</td>
<td>$28,068,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CRF Balance</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>61,555,428</td>
<td>61,555,428</td>
<td></td>
</tr>
</tbody>
</table>
Section 4. The City Manager or his designee is authorized the establish and adjust budgets for the projects identified below:

<table>
<thead>
<tr>
<th>Fund / Project Name</th>
<th>Project #</th>
<th>Revenue Budget</th>
<th>Expenditure Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund (Fund 1001)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement of Emergency Supplies</td>
<td>I02003000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic Relief to Small Businesses</td>
<td>I02003000</td>
<td></td>
<td>(1,100,000)</td>
</tr>
<tr>
<td>General Fund Administrative Contingency</td>
<td></td>
<td></td>
<td>1,350,000</td>
</tr>
<tr>
<td>Disaster Relief Act (Fund 2701)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Plates Delivered (75%)</td>
<td>G02610300</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Operating Grants (Fund 2702)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Great Plates Delivered (18.75%)</td>
<td>G02610300</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>Federal CARES Act (Fund 2704)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire EMS Supplies and Services</td>
<td>G02610200</td>
<td>295,523</td>
<td>295,523</td>
</tr>
</tbody>
</table>

Section 5. The City Manager or his designee is directed to develop a list of recommendations for appropriation of the remaining amount of CARES Act funding consistent with the general four categories described in the Mayor's CARES Act Framework and Funding Priorities letter from May 12, 2020 and from additional council recommendations, and return to the City Council for approval. The development of funding recommendations will adhere to the same process and timeline as discussed during the Council workshop on May 12th.

Section 6. Nothing herein prevents the City Council from revising the funding categories and amounts based on additional community input, including the forthcoming community survey.
Adopted by the City of Sacramento City Council on May 26, 2020, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest: Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.