



COMPLIANCE REVIEW REPORT

OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

Compliance Review Unit
State Personnel Board
April 07, 2015

TABLE OF CONTENTS

Introduction	1
Executive Summary	1
Background	2
Scope and Methodology.....	3
Findings and Recommendations.....	4
Examinations	4
Appointments.....	7
Equal Employment Opportunity	13
Personal Services Contracts.....	15
Departmental Response.....	16
SPB Reply.....	16

INTRODUCTION

Established by the California Constitution, the State Personnel Board (the SPB or Board) is charged with enforcing and administering the civil service statutes, prescribing probationary periods and classifications, adopting regulations, and reviewing disciplinary actions and merit-related appeals. The SPB oversees the merit-based recruitment and selection process for the hiring of over 200,000 state employees. These employees provide critical services to the people of California, including but not limited to, protecting life and property, managing emergency operations, providing education, promoting the public health, and preserving the environment. The SPB provides direction to departments through the Board's decisions, rules, policies, and consultation.

Pursuant to Government Code section 18661, the SPB's Compliance Review Unit (CRU) conducts compliance reviews of appointing authority's personnel practices in four areas: examinations, appointments, equal employment opportunity (EEO), and personal services contracts (PSC's) to ensure compliance with civil service laws and board regulations. The purpose of these reviews is to ensure state agencies are in compliance with merit related laws, rules, and policies and to identify and share best practices identified during the reviews. The SPB conducts these reviews on a three-year cycle.

The CRU may also conduct special investigations in response to a specific request or when the SPB obtains information suggesting a potential merit-related violation.

EXECUTIVE SUMMARY

The CRU conducted a routine compliance review of the Office of Statewide Health Planning and Development (OSHPD) personnel practices in the areas of examinations, appointments, EEO, and PSC's from November 1, 2012, through November 1, 2013. The following table summarizes the compliance review findings.

Area	Finding	Severity
Examinations	Accepted Applications After the Final File Date	Non-Serious or Technical
Appointments	Equal Employment Opportunity Questionnaires Were Not Separated From Applications	Very Serious
Appointments	Probationary Evaluations Were Not Provided for All Appointments	Serious
Equal Employment Opportunity	Equal Employment Opportunity Officer Does Not Monitor the Composition of Oral Panels in Departmental Exams	Very Serious

Area	Finding	Severity
Personal Services Contracts	Personal Services Contracts Complied with Procedural Requirements	In Compliance

A color-coded system is used to identify the severity of the violations as follows:

- Red = Very Serious
- Orange = Serious
- Yellow = Non-serious or Technical
- Green = In Compliance

BACKGROUND

The OSHPD is a department of the California Health and Human Services Agency. The OSHPD was created in 1978 to provide the state with an enhanced understanding of the structure and function of its healthcare delivery systems. Since that time, the OSHPD’s role has evolved to include delivery of various services designed to advance access to safe, quality healthcare environments.

The OSHPD’s Healthcare Workforce Division administers programs designed to increase access to healthcare for underserved populations by advancing the recruitment and training of future health professionals and through grants and loan repayments that encourage health professionals to serve in these areas. The OSHPD also houses the Health Professions Education Foundation, a 501 (c) (3) non-profit public benefit corporation that provides scholarships, loan repayments, and programs to health professional students and graduates.

The OSHPD’s Facilities Development Division reviews health facility construction plans to ensure they meet California building codes and state seismic safety standards mandated by law. Through Cal-Mortgage Loan Insurance Division, the OSHPD provides loan insurance to non-profit and public health facilities to borrow money for capital needs. The OSHPD’s Healthcare Information Division collects specified data from licensed healthcare facilities and makes the data available to the public.

As of 2013, the OSHPD employed approximately 500 employees in a wide range of classifications including but not limited to Engineers, Research Scientists, and Health Program Auditors.

SCOPE AND METHODOLOGY

The scope of the compliance review was limited to reviewing OSHPD examinations, appointments, EEO program, and PSC's from November 1, 2012, through November 1, 2013. The primary objective of the review was to determine if the OSHPD personnel practices, policies, and procedures complied with state civil service laws and board regulations, and to recommend corrective action where deficiencies were identified.

A cross-section of OSHPD examinations and appointments were selected for review to ensure that samples of various examinations and appointment types, classifications, and levels were reviewed. The CRU examined the documentation that the OSHPD provided, which included examination plans, examination bulletins, job analyses, 511b's, scoring results, notice of personnel action forms, vacancy postings, application screening criteria, hiring interview rating criteria, certification lists, transfer movement worksheets, employment history records, correspondence, and probation reports.

The review of the OSHPD EEO program included examining written EEO policies and procedures, the EEO officer's role, duties, and reporting relationship, the internal discrimination complaint process, the upward mobility program, the reasonable accommodation program, the discrimination complaint process, and the Disability Advisory Committee (DAC). The CRU also interviewed appropriate OSHPD staff.

OSHPD PSC's were also randomly selected to ensure that various types of contracted services and contract amounts were reviewed. The OSHPD contracted for transcription services, software testing, data storage, and moving services, among others.¹ It was beyond the scope of the compliance review to make conclusions as to whether OSHPD justifications for the contracts were legally sufficient. The review was limited to whether OSHPD practices, policies, and procedures relative to PSC's complied with procedural requirements.

On February 24, 2015, an exit conference was held with the OSHPD to explain and discuss the CRU's initial findings and recommendations, and to provide the OSHPD with a copy of the CRU's draft report. The OSHPD was given until March 10, 2015 to submit a written response to the CRU's draft report. On March 10, 2015, the CRU

¹If an employee organization requests the SPB to review any personal services contract during the SPB compliance review period or prior to the completion of the final compliance review report, the SPB will not audit the contract. Instead, the SPB will review the contract pursuant to its statutory and regulatory process. In this instance, none of the reviewed PSC's were challenged.

received and carefully reviewed the response, which is attached to this final compliance report.

FINDINGS AND RECOMMENDATIONS

Examinations

Examinations to establish an eligible list must be competitive and of such character as fairly to test and determine the qualifications, fitness, and ability of competitors to perform the duties of the class of position for which he or she seeks appointment. (Gov. Code, § 18930.) Examinations may be assembled or unassembled, written or oral, or in the form of a demonstration of skills, or any combination of those tests. (*Ibid.*) The Board establishes minimum qualifications for determining the fitness and qualifications of employees for each class of position and for applicants for examinations. (Gov. Code, § 18931.) Within a reasonable time before the scheduled date for the examination, the designated appointing power shall announce or advertise the examination for the establishment of eligible lists. (Gov. Code, § 18933, subd. (a).) The advertisement shall contain such information as the date and place of the examination and the nature of the minimum qualifications. (*Ibid.*) Every applicant for examination shall file an application in the office of the department or a designated appointing power directed by the examination announcement. (Gov. Code, § 18934.) Generally, the final earned rating of each person competing in any examination is to be determined by the weighted average of the earned ratings on all phases of the examination. (Gov. Code, § 18936.) Each competitor shall be notified in writing of the results of the examination when the employment list resulting from the examination is established. (Gov. Code, § 18938.5.)

During the period under review, the OSHPD conducted 11 examinations. The CRU reviewed 8 of these examinations, which are listed below:

Classification	Exam Type	Exam Components	Final File Date	No. of Applications
Accounting Officer (Specialist)	Promotional	Education & Experience (E&E) ²	1/25/2013	6

² In an education and experience (E&E) examination, one or more raters reviews the applicants' Standard 678 application forms, and scores and ranks them according to a predetermined rating scale that may include years of relevant higher education, professional licenses or certifications, and/or years of relevant work experience.

Classification	Exam Type	Exam Components	Final File Date	No. of Applications
Career Executive Assignment (CEA) 2, Assistant Director, Legislative & Public Affairs	Open	Statement of Qualifications (SOQ) ³ and Qualification Appraisal Panel (QAP) ⁴	4/25/2013	21
Compliance Officer, Health Facilities Construction	Open	Supplemental Application (SA) ⁵ and QAP	10/18/2013	21
Compliance Officer, Health Facilities Construction	Open	SA/QAP	11/13/2012	18
District Structural Engineer	Open	E&E	3/7/2013	28
Executive Secretary I	Promotional	E&E	5/2/2013	14
Senior Personnel Specialist	Promotional	E&E	11/2/2012	3
Staff Services Analyst (General)	Transfer	Written ⁶	10/16/2013	2

FINDING NO. 1 – Accepted Applications After the Final Filing Date

Summary: For 3 of the examinations administered, the OSHPD accepted 11 applications that were either not date stamped or were date stamped after the final filing date but did not include documentation indicating that the applications were postmarked within the time as

³ In a statement of qualifications (SOQ's) examination, applicants submit a written summary of their qualifications and experience related to a published list of desired qualifications. Raters, typically subject matter experts, evaluate the responses according to a predetermined rating scale designed to assess their ability to perform in a job classification, assign scores and rank the competitors in a list.

⁴ The qualification appraisal panel (QAP) interview is the oral component of an examination whereby competitors appear before a panel of two or more evaluators. Candidates are rated and ranked against one another based on an assessment of their ability to perform in a job classification.

⁵ In a supplemental application (SA) examination, applicants are not required to present themselves in person at a predetermined time and place. Supplemental applications are in addition to the regular application and must be completed in order to remain in the examination. Supplemental applications are also known as "rated" applications.

⁶ A written examination is a testing procedure in which candidates' job-related knowledge and skills are assessed through the use of a variety of item formats. Written examinations are either objectively scored or subjectively scored.

specified in the examination announcement. Specifically, OSHPD accepted eight applications that were date stamped after the final filing date for the Compliance Officer, Health Facilities Construction examination, two applications that were not date stamped for the District Structural Engineer examination, and one application that was date stamped after the final filing date for the CEA 2, Assistant Director, Legislative and Public Affairs examination.

Criteria: CCR, title 2, section 174 (Rule 174) requires timely filing of applications: All applications must be filed at the place, within the time, in the manner, and on the form specified in the examination announcement.

Filing an application 'within the time' shall mean postmarked by the postal service or date stamped at one of the Department's offices (or the appropriate office of the agency administering the examination) by the date specified.

An application that is not postmarked or date stamped by the specified date shall be accepted, if one of the following conditions as detailed in Rule 174 apply: (1) the application was delayed due to a verified error; (2) the application was submitted in error to the wrong state agency and is either postmarked or date stamped on or before the specified date; (3) the employing agency verifies examination announcement distribution problems that prevented timely notification to an employee of a promotional examination; or (4) the employing agency verifies that the applicant failed to receive timely notice of a promotional examination. (Cal. Code Reg., tit. 2, § 174, suds. (a), (b), (c) & (d).)

Severity: Non-serious or Technical. Final filing dates are established to ensure all applicants are given the same amount of time in which to apply for an examination and to set a deadline for the recruitment phase of the examination. Therefore, although the acceptance of applications after the final filing date may give some applicants more time to prepare their application than other applicants who meet the final filing date, the acceptance of late applications will not impact the results of the examination.

Cause: The proper procedures for date stamping applications and retaining envelopes were not followed due to vacant clerical positions and untrained staff opening the mail.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the OSHPD submit to the CRU a written corrective action plan that the department will implement to ensure conformity with Rule 174. Copies of any relevant documentation should be included with the plan.

Appointments

In all cases not excepted or exempted by Article VII of the California Constitution, the appointing power must fill positions by appointment, including cases of transfers, reinstatements, promotions, and demotions in strict accordance with the Civil Service Act and Board rules. (Gov. Code, § 19050.) Appointments made from eligible lists, by way of transfer, or by way of reinstatement, must be made on the basis of merit and fitness, which requires consideration of each individual's job-related qualifications for a position, including his or her knowledge, skills, abilities, experience, and physical and mental fitness. (Cal. Code Regs., tit. 2, § 250, subd. (a).)

During the compliance review period, the OSHPD made 167 appointments. The CRU reviewed 101 of those appointments, which are listed below:

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Accountant Trainee	Certification List	Permanent	Full Time	1
Assistant Information Systems Analyst	Certification List	Limited Term	Intermittent	1
Assistant Information Systems Analyst	Certification List	Permanent	Full Time	2
Associate Governmental Program Analyst	Certification List	Limited Term	Full Time	1
Associate Governmental Program Analyst	Certification List	Permanent	Full Time	5

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Associate Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	2
Associate Programmer Analyst (Specialist)	Certification List	Limited Term	Full Time	1
Attorney III	Certification List	Permanent	Full Time	2
Auditor I	Certification List	Permanent	Full Time	3
Compliance Officer, Health Facilities Construction	Certification List	Permanent	Full Time	1
Data Processing Manager II	Certification List	Permanent	Full Time	1
Executive Secretary I	Certification List	Permanent	Full Time	1
Fire & Life Safety Officer (Health Facilities Construction)	Certification List	Permanent	Full Time	4
Information Systems Technician	Certification List	Limited Term	Intermittent	4
Office Technician (Typing)	Certification List	Permanent	Full Time	3
Office Technician (Typing)	Certification List	Limited Term	Intermittent	3
Office Technician (Typing)	Certification List	Limited Term	Full Time	1
Principal Structural Engineer	Certification List	Permanent	Full Time	1
Program Technician II	Certification List	Permanent	Full Time	2
Senior Architect	Certification List	Permanent	Full Time	2
Senior Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Senior Personnel Specialist	Certification List	Permanent	Full Time	1
Senior Programmer Analyst (Specialist)	Certification List	Permanent	Full Time	2
Staff Information Systems Analyst (Specialist)	Certification List	Permanent	Full Time	1
Staff Services Analyst	Certification List	Permanent	Full Time	5

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Staff Services Analyst	Certification List	Limited Term	Full Time	1
Staff Services Analyst	Certification List	Limited Term	Intermittent	1
Staff Services Manager I	Certification List	Limited Term	Full Time	1
Staff Services Manager I	Certification List	Permanent	Full Time	5
Staff Services Manager I (Specialist)	Certification List	Permanent	Full Time	1
Staff Services Manager II (Supervisory)	Certification List	Permanent	Full Time	2
Supervisor, Health Facilities Review	Certification List	Permanent	Full Time	1
CEA III	Information List	Permanent	Full Time	1
Accountant Trainee	Transfer	Permanent	Full Time	1
Associate Governmental Program Analyst	Transfer	Permanent	Full Time	2
Associate Personnel Analyst	Transfer	Permanent	Full Time	1
Associate Personnel Analyst	Transfer	Permanent	Part Time	2
Attorney	Transfer	Permanent	Full Time	1
District Structural Engineer	Transfer	Permanent	Full Time	2
Fire and Life Safety Officer I (Health Facilities Construction)	Transfer	Permanent	Full Time	1
Health Program Audit Manager I	Transfer	Permanent	Full Time	1
Health Program Auditor II	Transfer	Permanent	Full Time	1
Program Technician II	Transfer	Permanent	Full Time	2
Research Analyst II	Transfer	Permanent	Full Time	3
Research Program Specialist I	Transfer	Permanent	Full Time	2
Research Program Specialist II	Transfer	Permanent	Full Time	1

Classification	Appointment Type	Tenure	Time Base	No. of Appointments
Senior Accounting Officer (Specialist)	Transfer	Permanent	Full Time	1
Senior Mechanical Engineer	Transfer	Permanent	Full Time	2
Senior Structural Engineer	Transfer	Permanent	Full Time	1
Staff Services Analyst	Transfer	Permanent	Full Time	2
Staff Services Analyst	Transfer	Permanent	Part Time	1
Staff Services Manager II (Supervisory)	Transfer	Permanent	Full Time	2
Systems Software Specialist I (Technical)	Transfer	Permanent	Full Time	1
Associate Governmental Program Analyst	Mandatory Reinstatement	Permanent	Full Time	1
Associate Personnel Analyst	Mandatory Reinstatement	Permanent	Full Time	1
Staff Services Analyst (General)	Mandatory Reinstatement	Permanent	Full Time	1
Staff Services Manager II	Mandatory Reinstatement	Permanent	Full Time	1
Seasonal Clerk	Temporary Authorization Utilization	Temporary	Intermittent	3

FINDING NO. 2 – Equal Employment Opportunity Questionnaires Were Not Separated from All Applications

Summary: Out of 101 appointments reviewed, 32 appointment files included applications where EEO questionnaires were not separated from the STD 678 employment application. Specifically, 498 of the 2,217 applications reviewed included EEO questionnaires that were not separated from the STD 678 employment application.

Criteria: Government Code section 19704 makes it unlawful for a hiring department to require or permit any notation or entry to be made on any application indicating or in any way suggesting or pertaining to any protected category listed in Government Code section 12940,

subdivision (a) (e.g., a person's race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status). Applicants for employment in state civil service are asked to provide voluntarily ethnic data about themselves where such data is determined by CalHR to be necessary to an assessment of the ethnic and sex fairness of the selection process and to the planning and monitoring of affirmative action efforts. (Gov. Code, § 19705.) The EEO questionnaire of the state application form (STD 678) states, "This questionnaire will be separated from the application prior to the examination and will not be used in any employment decisions."

Severity: Very Serious. The applicants' protected classes were visible, subjecting the agency to potential liability.

Cause: At the time of this review, the OSHPD's Request for Personnel Action (RPA) process (78 process) was structured so that applications would go directly to the office of the hiring manager (the contact person on the vacancy bulletin was located in the hiring manager's office). Only applications received in response to an employment inquiry were sent to the OSHPD Human Resources (HR) headquarters in Sacramento. Thus, HR headquarters' staff was not always in direct control of the information provided to the hiring authority. As a result, inappropriate information was sometimes passed along to the hiring authority.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the OSHPD submit to the CRU a written corrective action plan that the department will implement to ensure conformity with in the future that EEO questionnaires are separated from all applications. Copies of any relevant documentation should be included with the plan.

FINDING NO. 3 – Probationary Evaluations Were Not Provided for All Appointments

Summary: The OSHPD did not prepare, complete, and/or retain required probationary appraisals of performance for 15 of the 101 appointments reviewed by the CRU.

Classification	Appointment Type	No. of Appointments	No. of Uncompleted Prob. Reports
Associate Governmental Program Analyst	Certification List	1	3
Executive Secretary I	Certification List	1	1
Fire & Life Safety Officer (Health Facilities Construction)	Certification List	4	8
Program Technician II	Certification List	1	1
Senior Architect	Certification List	1	3
Senior Information Systems Analyst (Specialist)	Certification List	1	3
Senior Programmer Analyst (Specialist)	Certification List	1	3
Staff Services Analyst (General)	Certification List	1	3
Staff Services Manager I	Certification List	1	1
Staff Services Manager I (Specialist)	Certification List	1	1
Supervisor, Health Facilities Review	Certification List	1	3
Research Program Specialist II	Transfer	1	3
Total		15	33

Criteria: A new probationary period is not required when an employee is appointed by reinstatement with a right of return. (Cal. Code Regs., tit. 2, § 322, subd. (d)(2).) However, the service of a probationary period is required when an employee enters state civil service by permanent appointment from an employment list. (Cal. Code Regs., tit. 2, § 322, subd. (a).) In addition, unless waived by the appointing power, a new probationary is required when an employee is appointed to a position under the following circumstances: (1) without a break in service in the same class in which the employee has completed the probationary period, but under a different appointing power; and (2) without a break in service to a class with substantially the same or lower level of duties and responsibilities and salary range as a class in which the

employee has completed the probationary period. (Cal. Code Regs., tit. 2, § 322, subd. (c)(1) & (2).)

During the probationary period, the appointing power is required to evaluate the work and efficiency of a probationer at sufficiently frequent intervals to keep the employee adequately informed of progress on the job. (Gov. Code, § 19172; Cal. Code Regs., tit. 2, § 599.795.) The appointing power must prepare a written appraisal of performance each one-third of the probationary period. (Cal. Code Regs., tit. 2, § 599.795.)

Severity: Serious. The probationary period is the final step in the selection process to ensure that the individual selected can successfully perform the full scope of their job duties. Failing to use the probationary period to assist an employee in improving his or her performance or terminating the appointment upon determination that the appointment is not a good job/person match is unfair to the employee and serves to erode the quality of state government.

Cause: Previous clerical staff did not follow the process already in place to log and track probationary reports in the employee roster file. Additionally, some managers and supervisors were not completing probationary reports and prior HR staff were not following up to ensure completion.

Action: It is recommended that within 60 days of the Executive Officer's approval of these findings and recommendations, the OSHPD submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the probationary requirements of Government Code § 19172.

Equal Employment Opportunity

Each state agency is responsible for an effective EEO program. (Gov. Code, § 19790.) The appointing power for each state agency has the major responsibility for monitoring the effectiveness of its EEO program. (Gov. Code, § 19794.) To that end, the appointing power must issue a policy statement committed to equal employment opportunity; issue procedures for filing, processing, and resolving discrimination complaints; issue

procedures for providing equal upward mobility and promotional opportunities; and cooperate with the California Department of Human Resources by providing access to all required files, documents and data. (*Ibid.*) In addition, the appointing power must appoint, at the managerial level, an EEO officer, who shall report directly to, and be under the supervision of, the director of the department to develop, implement, coordinate, and monitor the department's EEO program. (Gov. Code, § 19795.)

Because the EEO Officer investigates and ensures proper handling of discrimination, sexual harassment and other employee complaints, the position requires separation from the regular chain of command, as well as regular and unencumbered access to the head of the organization.

Each state agency must establish a separate committee of employees who are individuals with a disability, or who have an interest in disability issues, to advise the head of the agency on issues of concern to employees with disabilities. (Gov. Code, § 19795, subd. (b)(1).) The department must invite all employees to serve on the committee and take appropriate steps to ensure that the final committee is comprised of members who have disabilities or who have an interest in disability issues. (Gov. Code, § 19795, subd. (b)(2).)

The CRU reviewed OSHPD's EEO program that was in effect during the compliance review period. In addition, the CRU interviewed appropriate OSHPD staff.

FINDING NO. 4 – EEO Officer Does Not Monitor the Composition of Oral Panels in Departmental Exams

Summary: The OSHPD's EEO Officer does not monitor the composition of oral panels in departmental examinations.

Criteria: The EEO officer at each department must monitor the composition of oral panels in departmental examinations (Gov. Code, § 19795, subd. (a)).

Severity: Very Serious. Requiring the EEO Officer to monitor oral panels is intended to ensure protection against discrimination in the hiring process.

Cause: Lack of process to ensure that the OSHPD's EEO officer monitors the composition of oral panels.

Action: It is recommended that within 60 days of the Executive Officer’s approval of these findings and recommendations, the OSHPD submit to the CRU a written corrective action plan that addresses the corrections the department will implement to ensure conformity with the requirements of Government Code section 19795. Copies of any relevant documentation should be included with the plan.

Personal Services Contracts

A PSC includes any contract, requisition, or purchase order under which labor or personal services is a significant, separately identifiable element, and the business or person performing the services is an independent contractor that does not have status as an employee of the State. (Cal. Code Reg., tit. 2, § 547.59.) The California Constitution has an implied civil service mandate limiting the state’s authority to contract with private entities to perform services the state has historically or customarily performed. Government Code section 19130, subdivision (a), however, codifies exceptions to the civil service mandate where PSC’s achieve cost savings for the state. PSC’s that are of a type enumerated in subdivision (b) of Government Code section 19130 are also permissible. Subdivision (b) contracts include private contracts for a new state function, services that are not available within state service, services that are incidental to a contract for the purchase or lease of real or personal property, and services that are of an urgent, temporary, or occasional nature.

For cost-savings PSC’s, a state agency is required to notify the SPB of its intent to execute such a contract. (Gov. Code, § 19131.) For subdivision (b) contracts, the SPB reviews the adequacy of the proposed or executed contract at the request of an employee organization representing state employees. (Gov. Code, § 19132.)

During the compliance review period, the OSHPD had 96 PSC’s that were in effect. The CRU randomly selected 20 of those contracts, 6 of which were subject to Department of General Services (DGS) approval and thus our procedural review, which are listed below:

Vendor	Services	Contract Dates	Contract Amount	Justification Identified
Rutherford & Chekene	Structural Plan Review	10/01/2013 - 09/30/2015	\$1,000,000	Yes
Golden State Overnight Delivery Service, Inc.	Delivery Services	08/28/2011 - 08/27/2014	\$220,000	Yes

Vendor	Services	Contract Dates	Contract Amount	Justification Identified
Pacific Project Management	Software Testing	03/01/2013 - 06/30/2014	\$71,200	Yes
Professional Health Consulting Services, Inc.	Medical Records Audit	06/15/2013 - 03/01/2014	\$249,379	Yes
Celer Systems, Inc.	Data Program Conversion	04/02/2013 - 07/31/2013	\$59,185	Yes
University Enterprises, Inc.	Provide Services for Student Assistants	10/01/2013 - 12/31/2014	\$376,800	Yes

FINDING NO. 5 – Personal Services Contracts Complied with Procedural Requirements

When a state agency requests approval from the DGS for a subdivision (b) contract, the agency must include with its contract transmittal a written justification that includes *specific and detailed factual information* that demonstrates how the contract meets one or more conditions specified in Government Code section 19131, subdivision (b). (Cal. Code Reg., tit. 2, § 547.60.)

The total amount of all the PSCs reviewed was \$1,976,564. It was beyond the scope of the review to make conclusions as to whether OSHPD justifications for the contract were legally sufficient. For all PSC’s subject to DGS approval, the OSHPD provided specific and detailed factual information in the written justifications as to how each of the 6 contracts met at least one condition set forth in Government Code section 19131, subdivision (b). Accordingly, OSHPD’s PSC’s complied with procedural requirements.

DEPARTMENTAL RESPONSE

FINDING NO 1 & 2

The OSHPD has instituted a new policy requiring all applications for examinations and vacancies be sent to HR headquarters for processing.

FINDING NO 3

Current staff has been trained on the proper procedures for document retention. We do not expect future incidents of this nature. We are currently emailing reminders to managers a month ahead of probationary report deadlines.

FINDING NO 4

The EEO Officer will be included and immediately begin monitoring the composition of the oral panels in exams. This step is being added to the exam process.

In order to prevent any future incidents stemming from past practices, we have a staff person reviewing all of our official personnel folders for any discrepancies and/or missing or misplaced documents. We believe that this will fully correct any lingering problems from past administrations.

SPB REPLY

Based upon the OSHPD's written response, the OSHPD will comply with the CRU recommendations and findings and provide the CRU a corrective action plan.

It is further recommended that the OSHPD comply with the afore-stated recommendations within 60 days of the Executive Officer's approval and submit to the CRU a written report of compliance.