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Sedgwick County starting to spend nearly \$109 million in federal COVID-19 aid

Mark Clarkin, The Active Age

Sedgwick County has spent only a small percentage of nearly \$109 million it's receiving from the federal government for COVID-19-related expenses while officials make broad plans for using the rest.

With a Dec. 30 deadline for spending CARES (Coronavirus Aid, Relief and Economic Security) Act money, county officials say they're trying to move quickly to allocate the spending. They did not seek competitive bids when hiring a Washington, D.C.-based consulting firm to help manage the windfall. And they may not need to do so with other spending going forward, according to an email from public information officer Kate Flavin.



"Under the declaration of local disaster emergency in combination with the (county) Manager's ability to waive policy related to COVID-19, we entered the contract within a week of receiving CARES funding," Flavin wrote.

Based on a recommendation from its external accountant, BKD, the county contracted the firm Witt O'Brien's, at a not-to-exceed price of \$150,000, to help make sure the CARES money is spent in accordance with federal guidelines. Johnson County, the other Kansas county which qualified for a large portion of CARES money, chose to hire Witt O'Brien's last month over six other proposals in a competitive process.

Asked if Sedgwick County will seek competitive bids for any CARES spending, Flavin said it "will diligently review internal and external requests and seek guidance from our consulting firm." CARES funding does not require the county to seek bids for goods or services, Flavin said.

Sedgwick County Manager Tom Stolz said due to the nature of the pandemic and the rules associated with CARES, it is not possible to run acquisitions through the normal county process such as a request for proposals.

"These processes often take 60-90 days and frankly, we have to be more nimble in these uncertain times," Stolz wrote in an email response. "Federal Uniform Guidance holds us to a 'cost reasonableness' standard to insure we give due diligence for every purchase using CARES funding."

In addition, Stolz said, the county is administering all purchases through the county Purchasing Director to make sure a vendor or recipient is legitimate and in good standing.

"This process also helps to make sure we obtain a product of appropriate quality and that pricing is reasonable," he said.

As for oversight of how entities receiving CARES dollars from Sedgwick County spend that money, Stolz pointed to the "watchdog" external review team, as well as consultant Witt O'Brien's and the auditing firm BKD.

And finally, Stolz said, all acquisitions and purchases will be brought before the county commission in open meeting.

The county is receiving \$99.6 million in CARES Act money from the federal government, plus another \$9.3 million from CARES money originally allocated to states and then flowing out to counties. For Sedgwick County, that \$9.3 million is expected to be dedicated to economic recovery.

So far, the county's tentative spending plan includes:

\$35 million for county operations

\$25 million for COVID-19 testing

\$10.1 million for PPE (personal protection equipment) expenses in cities within the county

\$7 million for social service providers

\$6 million for vulnerable populations

County officials are planning to hold about \$10 million in reserve from the \$99.6 million at the outset.

The \$9.3 million will be used to promote employment. The county's initial strategic proposal is to allocate \$6 million to support businesses and help them reopen and \$3.3 million for workforce development and job placement. The county must submit its spending plan for the \$9.3 million to the state by Aug. 15.

Cities and other public and private entities in Sedgwick County were able to start submitting applications for funds through a grant portal on Sedgwick County's website, sedgwickcounty.org. The application site will remain open at least through the end of October.

A seven-person advisory team has been appointed to help review applications:

Brent Shelton, chairman, Sedgwick County deputy chief financial officer

Hope Hernandez, Sedgwick County accounting director

Mark Manning, Wichita city treasurer

Kiel Mangus, Derby assistant city manager

Meloday McCray-Miller, local businesswoman and former county commissioner and state legislator

Jane McHugh, retired CPA formerly with BKD

Melissa Walker, Wichita State University's interim director of the Hugo Wall School

"It's a lot of money," McCray-Miller said of the CARES funding, "but there are a lot of needs out there."

BKD provided a training session for the review team July 23, and talked about conflict of interest. As of Aug. 3, the review team had not begun considering applications for CARES money, according to McCray-Miller.

This spring, Sedgwick County conducted a survey to show the needs of local units of government and public and private sector entities. There were 131 responses totaling \$65 million in needs, with churches, school systems, social service agencies and others completing the survey.

Final spending decisions rest with county commissioners.

By late July, the county had allocated or spent a little more than \$3.7 million of the \$99.6 million CARES money. That included:

Up to \$150,000 for Witt O'Brien's. The firm was hired to help make sure the CARES money is spent in accordance with federal guidelines.

Up to \$125,000 for two SUVs, equipment and supplies to be used by paramedics who will be stationed for 12 hours each day in Clearwater and Cheney. The SUVs will not be used to transport patients, but should allow emergency aid to reach the southern and western edges of the county faster than an ambulance dispatched from Sedgwick County Fire Station 39, which is southwest of Goddard. Clearwater Nursing and Rehabilitation Center experienced a COVID-19 cluster which took 11 lives but, as of mid-July, Cheney has avoided an outbreak, with a county map showing less than five cases in that zip code. County officials say Witt O'Brien's gave a thumbs-up to the expenditure.

Extra payroll expenses totaling more than \$722,640 the county has incurred because of the pandemic, including bonus

payments recognizing the efforts of frontline workers, about \$484,250; paid leave, about \$151,000; and overtime, about \$30,000.

\$45,000 for a morgue cooler for the Sedgwick County Regional Forensic Science Center. The addition will accommodate 22 bodies. Currently, bodies are removed from the hospital to funeral homes, but if there is a backlog, the bodies could be stored at the center. The center already is operating at maximum capacity, commissioners were told.

\$32,287.45 for medical grade face masks from Brady Industries of Kansas Inc.

\$2.3 million for two "Panther Fusion" testing analysis machines, and related supplies, to increase local COVID-19 testing capacity. It will allow the county to do 500 tests per day with a 12- to 18-hour turnaround on results. "No more mailing or transporting samples to other labs for these tests," Flavin noted. With a nationwide demand for the rapid-testing machines, it could be September at the earliest before the two machines arrive and are deployed, according to a timetable outlined by County Manager Stolz at the county commission's July 29 meeting.

\$150,000 for BKD's role in grant management and monitoring and in training and oversight functions.

\$135,000 for temporary staffing.

The new external review team has not been asked to consider how Sedgwick County has spent CARES money for county expenses, although the county has sought advice from Witt O'Brien's.

"If there is any question about whether the expense is eligible, we pay for it from the General Fund or Fire General Fund and will seek reimbursement after we have a chance to submit questionable expenses for review," Flavin said in an email.

In late July, commissioners voted to table indefinitely a proposal by Michael O'Donnell, the commissioner from District 2, to set aside \$5 million in CARES money for bars and nightclubs that the county ordered closed after COVID-19 cases climbed in July. Witt O'Brien's advised against singling out a specific category of business, and county staff also voiced concerns. A misstep in spending CARES dollars ultimately could lower the county's credit rating.

The Sedgwick County Commission took a first step toward distributing CARES funds to outside entities when it voted July 29 on how to divide \$3.5 million out of the \$99.6 million to help K-12 schools. The 10 public school districts headquartered in Sedgwick County, as well as the Catholic Diocese of Wichita, will receive a flat \$100,000 each.

The remainder of the \$3.5 million after that \$1.1 million expenditure will be divided among those 11 school systems and four small accredited schools on a per pupil basis. Apart from the county's distribution of aid, schools will have access to other COVID-19-related federal aid.

CARES funds not spent by the deadline, or spent for ineligible purposes, would have to be returned to the federal government.

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