

Westchester County Health Care Corporation
Board of Directors

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Mitchell C. Hochberg
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February 2, 2017

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Bob Oaks, Ranking Minority Member, Assembly Ways and Means Committee

Re: Follow-up Report to OSC Final Audit Report 2015-S-78

Dear Honorable Sirs and Madams:

Pursuant to §170 of the Executive Law, enclosed please find the Follow-Up Report of the Westchester County Health Care Corporation to the State Comptroller's Audit Report 2015-S-78.

Thank you,


Mitchell Hochberg

Encl.
MH:af

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OFFICE OF THE STATE COMPTROLLER
THOMAS P. DINAPOLI
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Follow-Up Report of the Westchester County Health Care Corporation To the Office of the State Comptroller's Final Audit Report 2015-S-78

Background

The Office of the State Comptroller ("OSC") conducted an audit of the Westchester County Health Care Corporation ("WCHCC") and issued its Final Audit Report ("OSC Report") 2015-S-78, "Contract Participation of Minority- and Women-Owned Business Enterprises Report" ("OSC Report"), on November 4, 2016. In accordance with Executive Law § 170, WCHCC is providing this follow-up report regarding the OSC's recommendation to the parties listed in the above correspondence.

The OSC Report contained three recommendations. Specifically, it recommended that WCHCC: (i) document the processes used to establish WCHCC's annual MWBE goal plan, including the development of the rates for the individual program components of overall MWBE Initiative; (ii) document the results of WCHCC's MWBE outreach plan and use the results to assess effectiveness and revise outreach efforts, as appropriate; and (iii) develop and implement formal procedures to identify and summarize MWBE payments and ensure that MWBE participation data is reported accurately to DED. Each recommendation in the OSC Report is addressed below.

Annual MWBE Goal Plan Policy

Since implementing its MWBE program WCHCC has had an established process for setting its annual MWBE participation goals in accordance with Article 15-A of the Executive Law, the regulations promulgated thereunder (the "MWBE Regulations"), and guidance provided by the Division of Minority and Women's Business Development of the Empire State Development Corporation ("DED").

As recommended in the OSC Report, WCHCC's Purchasing Department is preparing a policy on annual MWBE goal planning that documents WCHCC's goal planning process and describes how the goal is calculated by examining WCHCC's anticipated expenditures as compared to WCHCC's total available MWBE expenditures. Once the draft policy is finalized it will be submitted to WCHCC's Policy and Procedure Committee for incorporation into WCHCC's administrative policies and procedures.

Results of MWBE Outreach Plan

The WCHCC Board of Directors Diversity Committee and WCHCC's Diversity Council are both committed to ensuring that WCHCC has a proactive and effective outreach plan for increasing supplier diversity in WCHCC's procurements. WCHCC has a robust supplier diversity program that includes participating in MWBE events throughout the region, hosting MWBE events at WCHCC, and communicating with MWBEs directly to raise awareness about procurement opportunities at WCHCC. WCHCC's outreach plan has been a key factor in WCHCC's consistent achievement of its MWBE goals.

WCHCC is developing a system to track MWBE vendors who have been contacted in connection with WCHCC's outreach efforts, as recommended by the OSC Report. In addition to using WCHCC's achievement of its annual MWBE goals as a metric for its outreach efforts, WCHCC will also track how many MWBEs contacted during outreach actually respond to WCHCC contract solicitations.

MWBE Data Collection and Reporting

WCHCC has developed and implemented a process to summarize payment information for MWBE vendors and to ensure that accurate data is reported to DED. MWBE vendors are now clearly

identified in WCHCC databases used for both contract management and vendor payments. The Finance Department is providing that payment information to WCHCC's Purchasing Department to ensure accurate quarterly reporting to DED. In addition, WCHCC will now conduct quarterly audits of payments to MWBE vendors to confirm that these vendors are indeed New York State certified MWBEs and to ensure that accurate data is submitted to DED.



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