



CITY OF HOLLISTER

375 FIFTH STREET • HOLLISTER, CA 95023-3876

August 19, 2025

San Benito County Superior Court
Attn: Honorable J. Omar Rodriguez, Presiding Judge
450 Fourth Street
Hollister, CA 95023

Subject: San Benito County Civil Grand Jury Consolidated Final Report 2024-2025
Professional Services Contracts

Dear Judge Rodriguez,

The City of Hollister appreciates the time, effort, and diligence of the Civil Grand Jury in investigating and reporting on the City's professional services contracting practices. We acknowledge the observations identified in the report regarding past administrative practices and amendment procedures for Building Department services. The City has already undertaken significant measures to strengthen our contracting processes and enhance oversight procedures. Our responses below detail the specific actions implemented and our ongoing commitment to maintain the highest standards of public administration.

Finding 1 (F1)

Management-level staff must be fully aware of the requirements and processes for administering professional service contracts and it was apparent that new processes have been implemented.

Recommendation 1 (R1)

The oversight of contracts must be uniform and compliant with the COH municipal code. The COH should continue to formalize and unify the Professional Services Contract Administration process. They should provide an annual (at minimum) training session specifically devoted to the responsibilities associated with contract administration. The training must include a flow chart identifying the current processes and responsibilities associated with contract administration. On an annual/yearly basis, the City Attorney should provide an update of any rules or legal changes associated with the administration of public contracts and professional service agreements. This update must be included in the training session.

City Response to F1 and R1

The City agrees with this finding and confirms the recommendation has been implemented.



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The City recognizes that prior decisions, made during a period of administrative transition and staff turnover, resulted in procedural inconsistencies. We recognize that some contract amendments may not have received the full level of review and City Council oversight they warranted under our established protocols

In response to these concerns, the City has undertaken comprehensive corrective measures. Most notably, prior to the 2024-25 Fiscal Year, the City completed a comprehensive and transparent Request for Proposals (RFP) process for both Building and Planning Services. This process was conducted via the widely recognized and trusted government bidding platform, Bidnet Direct in full accordance with the City's procurement policies. To facilitate and encourage interested entities, the City's RFP included an updated scope and additional defining criteria, clearer delineation of responsibilities, notable changes in billing and cost calculations, and improved evaluation criteria to ensure alignment with legal and procedural standards. In total, the City received eight proposals to its Building Services RFP and ten proposals for its Planning Services RFP.

Finding 2 (F2)

The City of Hollister Administrative Staff did not provide regular updates regarding the status of contracts to the City of Hollister City Council.

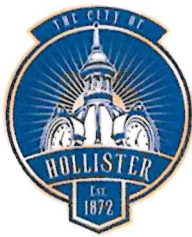
Recommendation 2 (R2)

Provide a written quarterly status of each professional service contract with an annual expenditure above \$150,000. The report, at minimum, must include the approved contract amount, the current balance expended to date, and the remaining balance. In addition, the report must document all amendments or expenditures with the provider that were not part of the original contract.

City Response to F2 and R2

The City acknowledges these findings; however, it should be noted that the Hollister Municipal Code does not require Administrative staff to provide structured contract status updates to the City Council.

The City has proactively implemented measures to improve contract oversight and transparency consistent with the Civil Grand Jury's recommendations.. Administrative staff have received updated guidance and training on professional services contract administration, including annual training provided by the City Attorney's Office to ensure current knowledge of relevant legal requirements and best practices. Additionally, a formal quarterly budget review process that provide ongoing updates to the City Council regarding annual budget status. This process creates regular opportunities for staff to present contract-related information and recommendations to Council as appropriate.



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Conclusion

The City of Hollister appreciates the Grand Jury's review and acknowledges the value of its recommendations. We remain committed to ensuring transparency, compliance, and accountability in all aspects of our contract management, and we welcome continued collaboration and feedback in support of that goal.

Respectfully submitted,

Roxanne Stephens

Mayor
City of Hollister

David Mirrione

City Manager
City of Hollister