Executive Summary

In early 2012, Secretary Benjamin Barnes of the Office of Policy and Management established the Health and Human Services Purchase of Service (POS) Project Efficiency Office (Project Efficiency Office/PEO). The Project Efficiency Office was created in response to POS health and human services contracting issues and opportunities raised and identified by non-profit providers, the Nonprofit Liaison to the Governor and State agencies. The PEO was established to identify, recommend and initiate business process and organizational changes related to POS contracting that would streamline, standardize, automate and reduce costs and paperwork for both state agencies and providers. The changes were to result in improved timeliness of contract executions and payment, administrative efficiency and savings and a stronger focus on service and client outcomes and less on contract processes.

State agency contracting staff members were assigned to the OPM PEO from Departments of Children and Families, Correction, Mental Health and Addiction Services, Public Health and Social Services. The Project Efficiency Office also received assistance from staff at the Department of Developmental Services and direction from the OPM Office of Finance.

In approaching its work, the Project Office reviewed agency procedures, organizational structures, reporting requirements, forms and other information. The Project Office conducted an extensive site visit at each agency, encompassing structured interviews with contract, fiscal, quality assurance, program and administrative staff. These site visits examined current procedures/ practices and evaluated the efficiency of contracting processes within the agency. From these site visits, the Project Office compiled complex agency-specific data, aggregated data regarding the POS contracting process, and compiled comprehensive agency-specific reports. The Project Office also participated in vendor demonstrations of automated contract/grants management systems, and researched best practices in the area of health and human service contracting.

Agency Business Process Reviews

The PEO completed a Business Process Review (BPR) for each POS agency, in which the staffing levels, organizational structures and business practices were identified and analyzed. These BPR's are included as appendixes to this report. Within this report, the strengths, weaknesses and recommendations to improve current business practices are outlined for each agency. The agency specific recommendations, different from the overarching or cross-agency recommendations described below, are intended as actions individual agencies can implement immediately or in the shorter-term to make their processes more efficient, both for themselves and for providers.

Overarching or Cross-Agency Recommendations

The Project Efficiency Office also developed recommendations regarding best-practice or model standards or systems to be applied across-agencies. These recommendations reflect a number of best practices currently in place, at some level, in one or more of the POS agencies. They include those involving:

1) **Agency POS Contracting Hub.** Organizing a "model" contracts unit for each agency that is accountable and a focal point for the handling of all administrative, financial and contracting functions in a timely, effective and efficient manner while maintaining strong working relationships with agency program and fiscal staff, providers, the Office of the Attorney General and other entities involved in the process.
2) **Standardized Budgets & Financial Reporting.** Developing a Uniform Chart of Accounts and standardized budget and financial reporting system to reduce the multiple formats now used by state agencies..
3) **Contract Management System.** Implementing an Enterprise Web-based Contract Management System.
4) **Timely Contract Executions.** Streamlining and automating systems related to contract approval, development, execution, and management processes. Establishing timeframes regarding POS contract approvals and execution in order to ensure timeliness of contract executions and providing for accountability and transparency around agency performance regarding timeliness measures.
5) **Training.** Increasing training for agency staff and providers related to POS contracting issues.

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6) **Contract Consolidation**. Decreasing the number of contracts per provider by increasing the number of provider programs under one consolidated contract with a State agency.
7) **Longer Term Contracts**. Increasing the term of contracts instead of the typical 2 to 3 year current terms.
8) **Increase Use of "Part I" Templates**. Increasing the use of Part I Office of Attorney General approved program templates.
9) **Streamline Payment Processes**. Streamlining the payment processes and changing the basis for payments in order to improve timeliness of payments to providers.
10) **Data Collection and Programmatic Outcomes**. Strengthening protocols and systems for collecting, evaluating and reporting on fiscal, programmatic and outcome data related to POS contracts.

Next Steps/Implementation Plan

Some implementation steps have already been taken with respect to the findings and recommendations in this report. OPM will be developing, in consultation with members of the PEO, POS agencies and providers, an implementation plan, which shall: prioritize the recommendations; outline actions steps and timelines; assign responsibility for action steps; identify any resources needed for implementation; and outline a method of measuring agency and state-wide progress with implementing the recommendations.

Implementing the recommendations included in this report will result in improved timeliness and efficiencies associated with POS human services contracting processes for both State agencies and providers. Realizing these improvements will, however, require continuing commitment and efforts from all involved, including OPM, state agencies, providers and others involved in these processes.
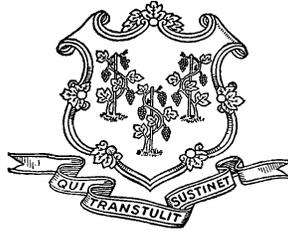
Health and Human Service Contracting

Process Review and Recommendations

for the Secretary of the Office of Policy and Management

Submitted by:

the Office of Policy and Management's Office of Finance, and
the Purchase of Service Contracting Efficiency Project Office

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INTRODUCTION

A Purchase of Service (POS) contract is a contract between a State agency and a private provider organization, municipality or another state agency for the purpose of obtaining direct health and human services for agency clients. A POS contract generally is not used for the sole purpose of purchasing administrative or clerical services, material goods, training and consulting services, and cannot be used to contract with individuals.

There are six major human service agencies in the current human service system: Department of Children and Families (DCF), Department of Correction (DOC), Department of Developmental Services (DDS), Department of Mental Health and Addiction Services (DMHAS), Department of Public Health (DPH), and Department of Social Services (DSS). With recent agency consolidations, the Department of Rehabilitative Services, Aging, Education and Housing will be administering POS contracts, most of which, to date, have been administered by DSS.

In early 2012, Secretary Benjamin Barnes of the Office of Policy and Management established the Health and Human Services POS Contracting Efficiency Project Office (Project Office). The Project Office was created in response to POS contracting issues and opportunities raised and identified by non-profit providers, the Non-Profit Liaison to the Governor and State agencies. The Project Office was established to identify, recommend and initiate business process and organizational changes related to POS contracting that would streamline, standardize, automate and reduce costs and paperwork for both state agencies and providers. The changes were to result in improved timeliness of contract executions and payment, administrative efficiency and savings and a stronger focus on service and client outcomes and less on contract processes.

The Project Office was also created to assist the Secretary with implementation of C.G.S. 4-70b, which requires the Secretary of the Office of Policy and Management to "establish uniform policies and procedures for obtaining, managing and evaluating the quality and cost effectiveness of human services purchased from private providers". Further, the Secretary is required to "ensure all state agencies which purchase human services comply with such policies and procedures".

The Project Office was comprised of contracting staff from the state's Human Service agencies, who were assigned to the office, three days per week. Staff were assigned to the Project Office from DCF, DOC, DMHAS, DPH and DSS. The Project Office also received assistance from staff at the Department of Developmental Services and direction from the OPM Office of Finance.

In approaching its work, the Project Office reviewed agency procedures, organizational structures, reporting requirements, forms and other information. All data reviewed by the Project Office was consolidated from State Fiscal Year 2012. The Project Office conducted an extensive site visit at each agency, encompassing structured interviews with contract, fiscal, quality assurance, program and administrative staff. These site visits examined current procedures/practices and evaluated the efficiency of contracting processes within the agency. From these site visits, the Project Office compiled complex agency-specific data, aggregated data regarding the POS contracting process, and compiled comprehensive agency-specific reports. The Project Office also participated in vendor demonstrations of automated contract/grants management systems, and researched best practices in the area of health and human service contracting.

I. BACKGROUND RE: POS HEALTH AND HUMAN SERVICE CONTRACTS

A. *POS Contracts: Number of and Annual Expenditures*

There are approximately 1,500 POS contracts statewide, involving approximately $1.6 billion in expenditures annually. The total dollar amount of POS contracts statewide is in the range of $5.5 billion since contracts are typically implemented with terms of three years or more. While most funding for POS contracts is provided by the State, $200 million or more of the POS expenditures are allocated from federal funds (with DSS and DPH having the highest proportion of their contracts being federally funded). Some POS contracts are a combination of state and federal funding. Most POS contracts follow the State fiscal year, which starts July 1, while those involving federal funds are dependent on the receipt date of federal awards. Delineated below are the State Fiscal Year 2012 POS contract statistics for each human service agency:

SFY 2012 Agency POS Contract Statistics

	DCF	DOC	DDS	DPH	DMHAS	DSS
# of POS Contracts	147	33	192	281	205	1101
# of POS Program Types	97	13	42	31	70	68
# of POS Programs	515	80	594	309	850	797
# of Providers	146	30	186	147	159	143
Total Contract Funding	$203,000,000	$43,656,786	$625,318,798	$47,997,022	$250,347,783	$718,000,000
State Funding	$190,000,000	$43,161,786	$614,841,838	$24,062,651	$223,486,215	$421,000,000
Federal Funding	$13,000,000	$495,000	$10,476,960	$23,934,371	$26,860,940	$297,000,000

NOTE:

- **DSS:** Contracting activity changed significantly following FY 2012 due to the absence of funded programs such as ARRA and Child Care from DSS. FY 2013 POS contract number reduced to 580 and the total contracted POS funding reduced to $334,795,605.

B. *Form, Length, Consolidation and Use of Pre-Approved Part I Scopes of Service*

1. Form and Length

A POS contract is comprised of:

- Contract Face Sheet: includes the names and addresses of the parties, the contract number, amount and term, the provider's FEIN number, and provider contact information;
- "Part I": developed by each state agency, outlines the program's scope of services, outcome measures and other program and agency specific requirements.
- Part 2: contains OPM's statewide wide terms and conditions.
- Budgets and Payment Schedules: negotiated for each program and included in the contract.

An agency may enter into a POS contract for a single year or for multiple years. The following chart illustrates the contract terms for the human service agencies during State Fiscal Year 2012.

Length of Agency POS Contracts

Length	DCF	DOC	DDS	DPH	DMHAS	DSS
up to 1 Year	1%	3%	4%	16%	0%	9%
2 years	0%	0%	64%	0%	100%	30%
3 Years	99%	6%	25%	49%	0%	54%
4 years	0%	33%	3%	12%	0%	5%
5 or more years	0%	61%	4%	23%	0%	2%

Source: FY2012 Contract unit data

2. Contract Consolidation

POS contracts with non-profit providers may include only one program per contract, but may also consolidate multiple programs operated by the same provider into one contract. Consolidation results in fewer contracts, having a higher dollar value.

Consolidated contracts can reduce the need to submit duplicate paperwork than is required of a provider having multiple contracts with an agency. The issues cited by DSS and DPH for a low level of consolidated contracts include aligning funding periods for programs, especially with respect to federally funded programs, and the complications of managing consolidated contracts among various program units within their agencies. This report will look at ways to address these issues. The following chart illustrates the number of contractors holding more than one contract during SFY 2012.

POS Contracts per Provider

	DCF	DOC	DDS	DPH	DMHAS	DSS
# of Providers	146	30	186	147	159	330
# with 1 Contract	145	27	170	81	128	155
# with more than 1 contract	1	3	16	66	31	175
Avg. Per Provider	1	1.1	1.1	1.9	1.29	2.35

3. Part I Scopes of Service

With respect to Part I of POS contracts, some human service agencies have reached agreement on standard scope of service language with the Office of the Attorney General (OAG) for many contracted programs. Contracts containing Part I approved language do not require additional OAG approval prior to full execution. This reduces contract assembly and execution processes. The following chart illustrates the percentage of OAG pre-approved Scopes of Services for each human service agency:

Part I Pre-Approved Scope of Services

	DCF	DOC	DDS	DPH	DMHAS	DSS
% Contracts with OAG Pre-Approved Scopes of Service	100%	0%	86%	36%	100%	40%

With respect to the lower percentage of standard scope of service language for DPH and DSS, a reported issue for these agencies is the number of program areas for which there are few contracts, which negates the efficiency associated with OAG pre-approval of language. Additionally, given the specificity required when purchasing human services for a criminal population, OAG pre-approved standard language would negatively impact the ability of DOC to tailor services to effectively meet the needs and legal release stipulations of its offenders.

C. POS Contracting and Contract Management Processes

POS contracting requires complex business processes involving multiple agency units, provider entities and inter-agency collaborations. These processes include:

Contract Development, Approval and Execution

- Planning in regard to service needs and determination of service delivery methods
- Funding and contracting approvals within an agency
- Seeking and receiving approval by OPM for the method of procurement (e.g., sole source or competitively procure), and/or the approval to enter into the contract

- Negotiating with providers regarding the scope of service, outcome measures and budgets for each contracted program
- Working within the agency, with the provider and with the Office of the Attorney General to assemble the contract, gather required documentation, obtain contract signatures, and disseminate the fully executed contract

Contract Administration

- Entering Contract into Core-CT, Establish Purchase Orders, Payment Vouchers, etc
- Making payments to providers
- Receiving and reviewing programmatic and financial reports from providers
- Monitoring the contract for compliance, efficacy and adherence
- Amending contracts as needed
- Reviewing and acting upon requests for budget revisions
- Determining any refund amounts at the end of the fiscal year
- Reviewing and acting upon State Single Audits

This report will describe and compare these processes among human service agencies, identify issues and best practices and make recommendations and plans for improvements.

1. Contract Development, Approval and Execution

    i. Funding Approval and Method of Procurement

    The contracting process can commence after funding has been identified and approved for a service by the agency's fiscal/budget office and approval has been received from OPM. OPM, through an electronic request and approval system, must provide approval before the agency can proceed with contracting for a service. If the agency intends to procure non-competitively, that must also be approved by OPM. Identified funding may be used to issue a new contract or to extend/revise an existing contract.

    Most of the human service agencies have spending plans that are used for allocating, tracking and monitoring funding for POS contracts. For some agencies, funding decisions are delayed until approval of the Governor's budget. Other agencies allocate funding based upon assumption of level funding. It has been identified that funding approvals, in some agencies, involve complex review and approval processes requiring multiple approvals. Late internal approval can delay request for external (OPM) approvals and contribute to late contract execution. Late OPM approvals also delay contract development and execution. Another major factor delaying contract development and execution is late notification of federal funding availability.

    ii. Scope of Services and Outcome Measure Negotiations

    Development of Part I scope of service language includes identification of service need, delivery model and outcomes. For some Human Service agencies, the scopes of services use pre-developed standard language and require no further negotiation with the provider. For development of new scopes of service or changes to existing scopes of service, negotiations may be conducted with the provider. This negotiation can involve staff from the agency program, contract, and/or legal units as well as the provider.

    iii. Program Budgets

    Each human service agency has its own budget and report format. An individual agency may use a detailed budget as a mechanism for collection of adequate monitoring information to measure a

provider's adherence with contract financial requirements, and adequacy of service delivery. Agencies also utilize performance measures and outcomes to monitor provider performance.

The budget process can be complex and can contribute to a delay in execution of a final contract. Standardization of budget formats, and related financial reports would streamline state agency and provider processes. In addition standardized budget/report formats would facilitate receipt of accurate provider financial information across multiple funding agencies.

iv. Contract Assembly and Execution

Human Service contracts are comprised of:

- Contract Face Sheet
- Part I—Scope of Service, Contract Performance, Budget Reports, payment schedules, Program Specific and Agency Specific sections-
- Part II—OAG standard terms and conditions
- Signature Page—Provider, State Agency Head, and Attorney General
- Forms—see Chart below (required by OAG, OPM, and awarding agency)

Part I and Part II involve a high level of standardized language, particularly for those programs for which scopes of service have been pre-approved by the Attorney General's Office. Some human service agencies use software programs (Hot Docs in DMHAS and DPH, and a customized system at DSS) which facilitate the assembly of contracts, while in other agencies, the contract assembly process is manual.

The submittal of required forms by providers (see Forms chart below), and the business process of obtaining signatures is accomplished through hard copy mailing or e-mail. Contracts having scopes of service that are not pre-approved must be sent to the Attorney General's Office with supporting documentation for approval. These pre- and post- contract execution processes can be streamlined using software programs and web-based tools.

Providers with human Service contracts and amendments initiated on or after July 1, 2012, are required to register as providers on the Department of Administrative Services' (DAS) BizNet system. Providers are required to upload the forms outlined in the Schedule below (except the Board Resolution, which must be submitted hard-copy with each new contract or amendment). Providers are required to update the forms in accordance with the requirements listed in the attached Schedule. Human Service agencies download the applicable forms from the BizNet system, for contract execution. This process is intended to eliminate the need for providers to submit these forms to multiple state agencies each time an agency initiates a new contract or amendment. The following table contains a listing of the forms maintained in Biznet:

Contract Forms Submitted via Biznet

FORM INFORMATION	Submittal/Update Requirements
1. **OPM Ethics Form 1 – Gift & Campaign Contributions** *Reason*: Required by statute. Applies to contracts having a value of $50,000 or more in a calendar or fiscal year.	• at time of contract execution • If after the initial submission there is any change in the information contained in the most recently filed certification an updated certification must be submitted not later than 30 days after the effective date of the change or upon submittal of a new bid or proposal whichever is earlier. • must be updated within 14 days of the 12 month anniversary of the most recently filed certification
2. **OPM Ethics Form 5– Consulting Agreement Affidavit** *Reason*: Required by statute. Applies to contracts having a value	• Accompanies a bid or proposal • After the initial submission if there is any change in the information contained in the most recently filed certification an

FORM INFORMATION	Submittal/Update Requirements
of $50,000 or more in a calendar or fiscal year.	updated certification must be submitted not later than 30 days after the effective date of the change or upon submittal of a new bid or proposal whichever is earlier.
3. **OPM Form – Nondiscrimination Certification (less than $50,000)** 4. **OPM Form – Nondiscrimination Certification ($50,000 or more)** *Reason*: Required by statute. Provider must submit one or other form (not both), depending on the value of the contract award.	• prior to the award of a contract • If after the initial submission there is any change in the information contained in the most recently filed certification an updated certification must be submitted not later than 30 days after the effective date of the change or upon submittal of a new bid or proposal whichever is earlier. • Must also certify no later than fourteen (14) days after the 12 month anniversary of the most recently filed certification that the representation on file is current and accurate.
5. **Board of Directors (List of Members)** *Reason*: Due diligence. Agencies request this information from providers only "as needed."	If requested: • proposal (if competitive) <u>or</u> • original contract
6. **DAS R50 Workforce Analysis** *Reason:* Used to collect workforce data for the Commission on Human Rights and Opportunities. Some agencies use the federal form to make it easier on their providers, who must report to the feds using form EEO-1	• Submitted with requisite contract documents.
7. **Board Resolution** *Reason:* To ensure signatory for provider has the authority to sign the contract.	• Submitted with requisite contract documents.

2. <u>Contract Process Timeframes</u>

The following table summarizes the typical timeframes for start and completion of various contract processes within each of the human service agencies for contracts having a July 1st start date:

Process	Typical Start Date	Typical Completion Date	Explanation
Department of Children and Families			
Internal Funding Approval/Approval to Commence Contracting Processes	**March 1st**	**April 1st**	*DCM is not involved in funding notification, allocation or approval and is not aware of need for contract until a request is received. Considering the listed dates DCM would not receive the request for contract until April 1st and would have all internal approvals by the date listed, June 15thth. All activities prior to April 1st are carried out by the BU and Program Units. DCM is notified of a contract request and then verifies funding approval.*
Seeking and Receiving Approval from POM	**April 1st**	**April 12th**	*DCM initiates the OPM request immediately following the receipt of internal approvals. The initiated request is then completed (Program Need, Procurement Justification, etc.) by the Program Units. Considering the listed dates, DCM would receive notification that the request is ready for review and submission to OPM on or about April 12st.*
Negotiating Scope of Services	**April 12th**	**May 30th**	*Timeframe inclusive of drafting and scope review and revision by PGR Units, DCM PGR, AAG review/approval.*
Negotiating Budget	**April 12th**	**May 12th**	*This activity is conducted solely by Program Units during the RFP developmental process. Program Units and RFP Awardees review and agree on final budget line items. DCM reviews final budget forms for accuracy.*
Contract Assembly and Execution (including signatures)	**May 12th**	**June 15th**	*The contract assembly process in done primarily manually with the hardcopy contracts being mailed out hardcopy signature requirements.*
Department of Correction			

Process	Typical Start Date	Typical Completion Date	Explanation
Internal Funding Approval/Approval to Commence Contracting Processes	January 1	February 1	*Timeframe inclusive of service need determination and annual prioritization process*
Seeking and Receiving Approval from OPM	February 1	February 15	*If OPM decision not rendered in 15 business days, DOC proceeds as if approved (per statute)*
Negotiating Scope of Services	February 15	March 15	*Timeframe inclusive of negotiating contract specifics as well as writing and obtaining approval of scope*
Negotiating Budget	February 15	April 15	*Timeframe inclusive of negotiating budget as well as budget package completion, review and approval*
Contract Assembly and Execution (including signatures)	April 15	June 30	*If scope and/or budget development is not completed by this date, DOC frequently assembles contract and has provider begin signatures concurrent to finalization of scope/budget. Additionally, if provider returns signed contract with incorrect/missing forms, DOC proceeds with internal signatures while provider correct necessary forms.*
Department of Developmental Services			
Internal Funding Approval/Approval to Commence Contracting Processes	April 1st	April 30th	*DDS provides long term supports to individuals with intellectual disabilities. Supports must continue to be provided to individuals within the charge of the Department. Contracts are renewed at the end of the contract period.*
Seeking and Receiving Approval from OPM	April 15	May 1st	*The POS request completed (Program Need, Procurement Justification, etc.) by the Operations Center Unit. A blanket POS is submitted for all contracts renewals.*
Negotiating Scope of Services	N/A	N/A	*DDS utilizes an OAG approved scope of service. There is no negotiating the scope of services.*
Negotiating Budget	May 1st	May 15st	*Budget development is between the regional resource administration and provider.*
Contract Assembly and Execution (including signatures)	May 15	June 15	*Contract assembly and execution is conducted electronically. Providers are given a 2 week turnaround timeframe. If provider returns signed contract with incorrect/missing required forms, DDS does not proceed until provider submits the corrected forms.*
Department of Mental Health and Addiction Services			
Internal Funding Approval/Approval to Commence Contracting Processes	January 1	February 1	*Based on anticipated funding levels. We proceed with level funding assumption in the absence of an approved state budget.*
Seeking and Receiving Approval from OPM	February 1	February 15	
Negotiating Scope of Services	February 15	April 15	*Includes review of provider's proposed levels of care / service levels submitted per application*
Negotiating Budget	February 15	April 15	*Includes review of provider's proposed budget submitted per application*
Contract Assembly and Execution (including signatures)	April 15	June 30	
Department of Public Health			
Internal Funding Approval/Approval to Commence Contracting Processes	April 15th	May 10th	*CGMS is not involved in funding notification, allocation or approval and is not aware of need for contract until a request is received. Considering the listed dates CGMS would not receive the request for contract until May 5th and would have all internal approvals by the date listed, May 10th. All activities prior to May 5th are carried out solely by the Program Units*
Seeking and Receiving Approval from OPM	May 11th	June 1st	*CGMS initiates the OPM request immediately following the receipt of internal approvals. The initiated request is then completed (Program Need, Procurement Justification, etc.) by the Program Units. Considering the listed dates, CGMS would receive notification that the request is ready for review and submission to OPM on or about May 23rd.*
Negotiating Scope of Services	May 1st	June 10th	*This activity is conducted solely by Program Units and the Proposed Scope of Service is not available for CGMS review until completion date.*

Process	Typical Start Date	Typical Completion Date	Explanation
Negotiating Budget	May 1st	June 10th	*This activity is conducted solely by Program Units and the Proposed budget is not available for CGMS review until completion date.*
Contract Assembly and Execution (including signatures)	June 11th	July 30th	*It is typical for CGMS to spend a minimum of ten days re-writing and/or reformatting submitted Scopes of Service and budgets. Once complete, contract assembly and distribution is accomplished in a day. The majority of the additional time consumed is awaiting return of the signed documents from the provider and the OAG.*
Department of Social Services			
Internal Funding Approval/Approval to Commence Contracting Processes	April 1st	May 31st	*Fiscal notifies programs of funding allotments. Programs allocate funding to provider and returns to fiscal for approval. Programs must then complete a DFMA form for each contract request.*
Seeking and Receiving Approval from OPM	May 31st	June 15th	*If OPM decision not rendered in 15 business days, DSS proceeds as if approved (per statute)*
Negotiating Scope of Services	May 31st	June 30th	*Scope of Service development is between program and provider. Once complete, scope of service is sent to Contracts for review.*
Negotiating Budget	June 15th	July 15th	*Budget development is between program and provider. Once complete, budget is sent to Contracts for mathematical review.*
Contract Assembly and Execution (including signatures)	July 15th	August 15th	*Contract assembly and execution is conducted electronically. Providers are given a 2 week turnaround timeframe. If provider returns signed contract with incorrect/missing forms, DSS proceeds with internal signatures while provider correct necessary forms.*

D. Contract Administration

1. Financial Reporting

Providers are required to follow a contractual schedule for submission of programmatic and financial reports. For contracts having a July 1 start date, financial reports for programs operated with state funding must be submitted in accordance with the following schedule. It should be noted that programs operated with federal funding may require separate reporting schedules:

Financial Report Due Dates

	DCF	DOC	DDS	DPH	DMHAS	DSS	OPM Standard*
3 Month Interim Report	NA	NA	NA	NA	NA	10/31	No
4 Month Interim Report	NA	NA	NA	11/30	NA	NA	Agency Option
6 Month Interim Report	NA	NA	NA	NA	NA	1/31	No
8 Month Interim Report	3/31	3/31	3/31	3/31	3/31	NA	Yes
9 Month Interim Report	NA	NA	NA	NA	NA	3/31	No
12 Month Final Report	9/30	9/30	10/31	9/30	9/30	8/31	Yes

* On July 18, 2011, OPM Secretary Benjamin Barnes issued new POS standards regarding: Program Budget Variance and Revisions as well as Financial Reporting Dates. These standards can be found on OPM's web-site at http://www.ct.gov/opm/lib/opm/secretary/pospolicyandprocedurehhs071811.pdf.

Agency financial reporting requirements, formats, level of detail and method of submittal (e.g. e-mail vs. hard-copy) are varied across the six human service agencies. These reports, like the original budget, lend themselves to standardization, automation and, submittal via a web-based approach.

2. Contract Payments

Most human service contracts are paid on a prospective basis. Approximately 87% of contracted providers are established to receive electronic payments, with the choice of electronic or paper payment at the discretion of the provider. A human service agency payment process chart is included below.

Timeliness of payments is dependent on a number of factors, including: funding allotments released by OPM; contract execution dates; payment criteria and state human service agency business payment processes. In some agencies, payments are made automatically following receipt of agency funding allotments, while in others, payment is tied to receipt and review of financial and/or programmatic reports and complex payment business processes. The various human service agency payment terms, conditions, and process are summarized in the following table:

Human Service Agency Payment Processes

	Amount and # of Payments	Payment Conditions	Process
DOC	4 - quarterly payments	Auto, once allotment is received	Contracts Unit reviews all financials, handles creation and maintenance of CORE Contracts and Purchase Orders, and authorizes Fiscal Accounts Payable to release quarterly payments.

DMHAS	4 - 3 quarterly with 4th in late May/early June
	1. 4 mos. state $
	  3 mos. fed $
	2. 3 mos. state $
	  3 mos. fed $
	3. 3 mos. state $
	  3 mos. of fed $
	4. 2 mos. state $
	  3 mos. fed $
		Auto, once allotment is received for first 3 payments.
		End of March provider must submit report on 1st 8 mos. of the contract. By late April/early May the last payment will be made if no unexpended funds have been reported.
			If a surplus of greater than 20% of DMHAS funding is noted at 8 months, payment is held until review is completed. DMHAS reviews total contract cost vs. unexpended funds amount, and may ask provider for narrative if provider reports substantial end of year surplus.
			Payments on fee for service contracts can be made as frequently as once per month. Provider must submit an invoice. Program staff validate attendance/usage and authorize payment.

DSS	4 – equal	Request for payment and invoice from provider. Quarterly financial and program reports must be submitted, reviewed and accepted prior to payment release.	The contract is entered into CORE by Contracts staff when the contract has been fully executed and approved. Provider must request payment via a DSS form W-1270 submitted to program staff. PO is established by Fiscal for the amount of the first payment when the first W1270 is submitted by program staff. When the PO is approved, the W-1270 is forwarded to Accounts Payable for payment. Subsequent W-1270's are routed to Fiscal for PO amendment, and then forwarded to AP.
DPH	4 - equal with some exceptions if provider has justifiable upfront costs. Contracts > $200,000 with fed $ are paid every 2 mos.	First payment is up front with subsequent payments issued when provider meets conditions of contract (i.e., reports, etc).	DPH uses a $200,000 threshold on federal $ contracts to trigger the every 2 month payment process to comply with the federal Cash Management Act. Auditors would like DPH to implement a lower threshold or none at all. Program staff oversee spending then transmit a form to contracts staff with ok to make payment. Contracts staff do a 2nd review to make sure provider is in compliance with contract then send to internal audit staff. They review payment and if ok send back to contracts staff to process the paperwork in DPH Contracts Management System before sending to accounts payable. Accounts payable sends to purchasing to create the PO and back to accounts payable to

	Amount and # of Payments	Payment Conditions	Process
			enter into CORE.
DCF	4 - equal	Receipt of allotment and required reports and audits.	Contracts staff handle creation and maintenance of CORE Contracts and Purchase Orders, and authorize Fiscal Accounts Payable to release quarterly payments.
DDS	Monthly based on utilization and receipt of deliverables	Payment is based on submission of attendance on the DDS web-based program.	Contract is entered into CORE by the Operations Center fiscal staff. PO is developed for the full contract amount. Vouchers are based on an estimated amount for the current month, the actual amount based on the previous months attendance and a credit for the previous months estimated payment.

3. Budget Variances and Budget Revisions

According to the budget revision standards issued by Secretary Barnes on July 18, 2011, a provider may incur expenses that vary up to 20% for any approved program operating expense without requesting prior approval from the human service agency. If a provider intends to incur expenses greater than 20% of the approved cost, a budget revision including justification must be submitted for prior approval to the human service agency in order to avoid disallowance of the intended expense. In reference to established budget variances, it should be noted that definitions as to how the variances are applied (cumulative cost categories versus individual line-items) exist across the agencies. With respect to salary and wage variances, providers, (with the exception of those under contract with DDS), must request prior approval for any individual salary variance greater than 15%.

Not more than 45 days prior to the close of the state fiscal year, providers are required to submit budget revisions for any variance in excess of the terms described above to avoid disallowed expenditures at year-end. Standardization and automation across human service agencies would improve this process.

4. End of Year Audit; OPM Cost Standards

After the close of a funding period, state agencies are required to perform a year-end reconciliation to identify any unexpended funds. If unexpended funds, are identified, they must be recouped from the provider. The process utilized by each of the agencies for this reconciliation is highlighted below.

Cost settlement and the ability for providers to keep a portion of any remaining funds as a result of efficiencies or savings has been a subject of discussion among state agencies and providers. Among the concerns raised by state staff in this regard has been the need to ensure the efficiency of use of state funds and the ability to measure or ensure that savings are not at the expense of client service or program quality. Providers have indicated that the current procedures can result in insufficient reserves, an inability to reinvest in programs and less incentive to achieve efficiencies. Current human service agency year-end reconciliation procedures are summarized in the following table:

Agency	Year-End Reconciliation Procedures
DCF	If 8 month report identifies projected year-end unexpended funds, final payment is adjusted to account for the funds. Final determination of unexpended funds is determined through review of final year-end report (9/30) and audit review (12/31). After audit review, if unexpended funds have been identified, current year payments are reduced to reflect the amount of funding unexpended from the prior funding period.
DDS	DDS has a 100% cost settlement process that is calculated using the annual cost report. Cost settlement is calculated based on the difference between the total revenue and expenses for the day, residential and CTH programs. The Residential Cost Settlement is mandated through regulation and the Day cost settlement is through contractual language. Cost settlement letters usually are sent to the providers the following Spring.
DOC	Upon review and acceptance of Final Expenditure Report (9/30) and correlating State Single Audit (12/31), DOC Contracts staff determine unexpended funding amount and request return of funds from provider.

Agency	Year-End Reconciliation Procedures
DMHAS	Projected year-end unexpended funds identified in 8 month report may be recouped through a reduced final payment. Upon review and acceptance of Final Expenditure Report (9/30) and State Single Audit (12/31), Contracts staff determine unexpended funds and current year payments are reduced by that amount.
DPH	Upon review of Final Expenditure Report, DPH Audit Section calculates unexpended funds taking into consideration any disallowed items. Demand letter is sent to provider. The State Single Audit is also reconciled against final expenditure report and CORE-CT payment information, upon receipt of Audit, and any additional disallowed or unexpended funds are recovered in the same manner.
DSS	Projected YE unexpended funds identified in any financial report the Department may, with advance notice to the Contractor, adjust the payment schedule for the balance of the contract. Program staff reviews Final Expenditure Report (9/30). If report shows unexpended funds, program staff recoups within 30 days; OR at the discretion of the Commissioner, funds may be carried over to a new similar contract.

5. State Single-Audit and OPM Cost Standards

C.G.S. 4-230 through 4-236 requires a nonprofit organization that expends $300,000 or more in state funds within its fiscal year to submit to a uniform audit by an independent agency, within six months of the close of the provider's fiscal year. The Office of Policy and Management facilitates the process for receipt of the State Single Audit. Human service agencies are required to perform their own Grantor Agency Desk Review of each state single audit, as part of the year-end reconciliation process. Additionally, the Secretary of OPM is required to "adopt regulations establishing uniform standards which prescribe the cost accounting principles to be used in the administration of state financial assistance by the recipients of such assistance". The Cost Standards and additional information is available at http://www.ct.gov/opm/cwp/view.asp?a=2981&q=382994&opmNav_GID=1806.

E. *Organization and Staffing of POS Contracting Functions*

The agency units typically involved in the activities associated with contract approval, development, execution and management processes may include:

- Fiscal units involved with the agency's budget and spending plans as well as other fiscal management and payment functions.
- Program units involved in developing and overseeing the programmatic aspects of health and human service POS contracts. The number of programmatic units range from one in DOC (Parole) to multiple in the other POS agencies.
- Contracts units involved with contract development, execution, monitoring, compliance and management of POS and Personal Service Agreements, as well as the agency's other contractual agreements (e.g. MOU's)

1. Organizational Assignment of Contracting Functions

How well an agency aligns and manages contracting activities across these units contributes to how effectively their contracting processes operate. The best organizational structures and systems have strong communications within and outside the agency; assign accountability to those units or individuals handling designated functions; minimize unnecessary redundancies; and ensure that work is performed by those possessing the necessary skills and training expertise. Problems or delays occur when: programmatic units are asked to manage financial oversight of human service contracts; there is no delineation as to which unit is responsible for a specific contracting function; or multiple units are performing the same contracting tasks.

The Departments of Children and Families, Correction and Mental Health and Addiction Services, centralize the fiscal, administrative and programmatic functions related to POS contracting. This is the ideal organizational structure being recommended by this report. DDS, DSS and DPH contracting functions, are typically handled by the 3 separate units with duplicative or redundant processes.

2. Contracts Staffing and Workload Metrics

Listed in the chart below are the positions included in the Contracts Units in each of the six human service agencies, as well as FTE allocations for each position. As can be seen in the chart, various position classifications and staffing allocations are utilized across the six agencies.

Contracts Unit Organization Location and Staffing

DCF	DOC	DDS	DMHAS	DPH	DSS*
Bureau Located: *Fiscal*	**Bureau Located:** *Fiscal*	**Bureau Located:** *Operations, B-3*	**Bureau Located:** *Business Admin*	**Bureau Located:** *Admin*	**Bureau Located:** *Admin*
POS Fiscal/ Admin Contracting Functions: *Centralized*	**POS Fiscal/ Admin Contracting Functions:** *Centralized*	**POS Fiscal/ Admin Contracting Functions:** *Partially Centralized*	**POS Fiscal/ Admin Contracting Functions:** *Centralized*	**POS Fiscal/ Admin Contracting Functions:** *Partially Centralized*	**POS Fiscal/ Admin Contracting Functions:** *Partially Centralized*
# POS Contracts: 147	**# POS Contracts:** 33	**# POS Contracts:** 192	**# POS Contract:s** 205	**# POS Contracts:** 281	**# POS Contracts:** 1101
# POS Programs: 515	**# POS Programs:** 80	**# POS Programs:** 594	**# POS Programs:** 850	**# POS Programs:** 309	**# POS Programs:** 797
FY12 POS Expends: $203,000,000	**FY12 POS Expends:** $43,656,786	**FY12 POS Expends:** $625,381,796	**FY12 POS Expends:** $250,347,783	**FY12 POS Expends:** $47,997,022	**FY12 POS Expends:** $718,000,000
• (1) Fiscal Admin Mgr 2 • (1) Fiscal Admin Spvsr • (1) Ass. Accountant • (1) Ass. Acct Examiner • (1) Accts Examiner • (1) Accountant • (4) Fiscal Admin Off. • (1) Processing Tech • (1) Secretary 2 • (1) Clin/Fam BH Mgr. • (2) Program Mgr.	• (.1) Fiscal Admin Mgr I • (1) Fiscal Admin Off. • (.5) Fin Clerk	• (.75) Assist Reg Dir. • (1) Program Mgr • Assoc FAO • (.8) Assoc Acct (B-3) • (3) Resource Mgr. 2 • (1) Resource Mgr 1 • (6) Fiscal Adm. Officer • (.8) FAO (B-3) • (1) Asst Reg. Resid. Mgr • (1) Office Assistant • (.25) Accounts Examiner • (.1) FAS (Reg) • (.25) FAO (Reg) • (.4) FAA (Reg)	• (.25) Fiscal Admin Mgr 2 • (1) Fiscal Admin Mgr 1 • (1) Sup Acct Examiner • (4) Ass. Acct Examiner • (.25) Admin Assist • (2) Processing Tech	• (1) Director Prog Mon/Fiscal Review • (3) Fiscal Admin Off. • (1) Fiscal Admin Ass. • (1) Personnel Off. • (1) Health Prog Ass.istant 1 • (1) Health Prog Assistant 2 • (3) Health Prog Associate • (1) Admin Assistant • (1) Office Assistant	• (1) Ass/Fiscal Admin Off. • (1) Grant/Contracts Mgr • (1) Soc/Service Program Specialist • (2) Fiscal Admin Off • (1) Secretary 1
Total: 15 Staff / 15 FTE	**Total:** 3 Staff / 1.6 FTE	**Total:** 25 Staff / 17.35 FTE	**Total:** 10 Staff / 8.5 FTE	**Total:** 13 Staff / 13 FTE	**Total:** 6 Staff / 6 FTE

NOTE:

- **DSS:** Contracting activity changed significantly following FY 2012 due to the absence of funded programs such as ARRA and Child Care from DSS. FY 2013 POS contract number reduced to 580 and the total contracted POS funding reduced to $334,795,605.

Many of the agency contract units/staff delineated above, also bear responsibility for development, execution and management of Personal Service Agreements (PSAs), Memorandums of Understanding (MOUs) and various other contract types, as delineated below:

SFY 2012 Miscellaneous Contract Information

	DCF	DOC	DDS	DMHAS	DPH	DSS
# of PSAs	73	23	40	131	276	124

	DCF	DOC	DDS	DMHAS	DPH	DSS
SFY 2012 PSA Expenditures	$5,630,080	$475,000	$1,813,813	$39,340,323	$20,591,100	$86,288,764
PSAs Handled within Contracts Unit	Yes	Yes	No	No	Yes	Yes
# of MOU/MOAs	110	275	1	281	100	83
MOU/MOAs Handled within Contracts Unit	No	Yes	No	No	Yes	Yes
Total # Non-POS Contracts managed by Contracts Unit Staff:	73	298	0	0	376	324
Total # Non-POS Contracts managed by Other Units	110	0	41	412	0	0

NOTES:

- **DCF:** The DCF Contracts Unit manages both POS and PSA contracts, but MOA's/MOU's are developed and managed separately by the principal cost analyst in the Fiscal Unit/Budget Unit. Program leads for these MOA's/MOU's central office and regional office managers. DCF Contract Unit staff bears no responsibility for any contracts other than POS and PSA.
- **DDS:** PSA's are largely handled by the two regional business offices. Approximately 1.3 FTE's are involved in this work. DDS is in the process of reorganizing and centralizing these business functions along with POS contracting activities associated with its Birth to 3 and autism programs. MOU/MOA's are drafted by staff from various DDS and reviewed by the Director of Legal Affairs.
- **DMHAS:** PSAs and MOAs are handled by another unit reporting to the Director of Business Administration (as does the POS unit). Approximately 4 FTE's do PSA and MOA work in this unit. The plan is to merge these and the POS functions.

F. *Contract Execution Timeliness Metrics*

One of the metrics associated with evaluating the efficiency of a contracting process is the ability for state agencies and providers to execute contracts in a timely fashion. Timeliness is defined, minimally, as a contract being fully executed prior to its commencement date. A sound business practice is one that ensures that terms/conditions and service/performance expectations are in place prior to beginning service delivery. This also results in state agencies having the ability to issue timely payments to providers. Execution of contracts after their established start date, results in delays in implementation of new services, late payments and cash flow/service delivery issues for providers.

The table below evaluates the human service agencies adherence to timely execution of contracts for state fiscal year's 2010, 2011 and 2012:

Timeliness of Contract Execution

	Fiscal Year 2010				Fiscal Year 2011				Fiscal Year 2012			
	More than 15 days prior	1-15 days prior	1-30 days after	More than 30 days after	More than 15 days prior	1-15 days prior	1-30 days after	More than 30 days after	More than 15 days prior	1-15 days prior	1-30 days after	More than 30 days after
DCF	38%	18%	36%	7%	52%	17%	9%	22%	50%	28%	22%	0%
DOC	0%	0%	59%	41%	0%	35%	53%	12%	74%	3%	20%	3%
DDS	0%	27%	70%	3%	99%	1%	0%	0%	100%	0%	0%	0%
DMHAS	88%	.5%	.5%	11%	100%	0%	0%	0%	62%	17%	20%	1%
DPH	2%	3%	10%	85%	0%	5%	42%	53%	25%	25%	19%	31%
DSS	1%	4%	52%	43%	1%	2%	14%	83%	12%	9%	18%	60%

Some of the factors that delay the timely execution of contracts include:

- Delays and/or inefficiencies in internal and external funding approval processes

- Difficulties in reaching agreement as to scope of services or program budgets
- Delays regarding federal grant notices
- Submittal of incorrect forms by providers or provider delays in submitting required information
- Cumbersome or paper-based contract assembly and execution processes
- Delays with or issues raised during Attorney General review of contract

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II. FINDINGS AND RECOMMENDATIONS

A. Agency POS Contracting Organizational & Business Processes

The Project Office dedicated significant resources to review and evaluation of current contract processes within each individual human service agency. This process culminated with a consolidated report capturing current processes utilized in each agency. From this report, the Office designed individual agency-specific reports that included agency strengths, weaknesses and immediate recommendations for change. The findings outlined below are specific to the strengths, weaknesses and process changes for each individual agency. The recommended process changes for each agency outlined below, are intended as actions individual agencies can implement immediately to make their processes more efficient. The changes delineated below are also intended to prepare each agency to make the changes in the over-arching recommendations.

1. Department of Children and Families

Metrics			
Human Service Contracting		**Contract Unit Workload & Performance**	
Number of human service contracts:	147	*Total number of agreements managed*:	220
Number of human service programs contracted:	515	*Number of contracting unit FTEs*:	15
Number of human service providers:	146	*Estimated external FTEs supporting contract activities*:	33
Fiscal Year 2012 State funds committed:	$190,000,000	*Fiscal Year 2011 % of contracts executed prior to start date*:	69%
Fiscal Year Federal funds committed:	$13,000,000	*Fiscal Year 2012 % of contracts executed prior to start date*:	75%
Average number of contracts held per provider:	1	*Percent of contracts having terms of 2 years or less*:	1%
Percent of OAG pre-approved scopes-of-service:	100%	*Percent of contracts having terms of 3 years or more*:	99%

Agency Strengths and Weaknesses	
Strengths	**Weaknesses**
1. DCM is a unit dedicated to contract processing and is neither tasked with unrelated activities and duties nor subject to external unrelated priorities.	1. Contract duties are segregated by employee. Staff is not crossed-trained in contracting processes, and this prevents assignment flexibility and workflow continuity.
2. Contract development, execution, and financial oversight and payment actives are solely the responsibility of DCM staff.	2. Contracts staff do not receive formal training on contract development, administration and oversight; legal sufficiency of contracts or oversight of non-profit entity budgets.
3. DCM is structured to include a complement of staff with training and experience in program functions.	3. No formal training is provided to providers but program staff routinely meets with providers.
4. Current staffing structure and numbers supports reorganization of contracting duties to address agency weaknesses.	4. Contract documents are sent to providers in hardcopy.
5. The highly developed knowledge, experience, longevity and cohesiveness of staff in DCM are a significant contributing factor in the agency's ability to meet its benchmarks and state contracting requirements.	5. Separate logs are maintained for each phase of the contracting process and DCM staff passes hardcopy documents back and forth solely to track status of the contracts.
6. DCM maintains formal and informal training tools for contracts staff to utilize and provides targeted training to internal staff.	6. DCM does not have automated document creation software to assist with contract preparation and contracts are assembled manually.
7. Payment processes are streamlined and initiated electronically between DCM and Fiscal Services.	7. Contract internal signature process relies heavily on hand carried hardcopy routing slip.
8. Electronic submissions of programmatic and financial reports are accepted. DCF does not require hard-copy signatures from providers.	8. Providers are required to complete (subsequently) a new budget with each submission of a budget revision.
9. DCM staff maintains an electronic library of active contracts available to all DCF staff.	9. Some contractual payments are tied to receipt of providers' financial reports.
10. DCM has maximized utilization of consolidated contracts.	10. No formalized consistent programmatic monitoring exists.
11. DCM has maximized its use of OAG pre-approved scopes of service.	11. No standard system in place for retention of programmatic reports.

Recommendations
1. Current DCM staffing classifications and FTE's would support the restructure of the unit to include additional contracting duties related to development of scopes of service, and comprehensive programmatic and administrative contract monitoring.
2. Provide cross - training and expand staff's knowledge in areas outside of their job functions.
3. Institute formal provider training for the contracting process.
4. Implementation of required training for Contracts staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).
5. Implement automated software contracting system to assist with contract execution process to eliminate manual contracting procedural process.
6. Implementation of a contract data management system.
7. Begin delivery of contracts to providers in electronic format and combine all logs into a single tool to make all contract status information readily available.
8. Explore electronic approvals/signature for the contract signature process to eliminate hardcopy routing slip.
9. Implement programmatic contract monitoring to include regular site visits across all programs.

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2. Department of Correction

<table>
<tr><td colspan="4" align="center">*Metrics*</td></tr>
<tr><td colspan="2" align="center">**Human Service Contracting**</td><td colspan="2" align="center">**Contract Unit Workload & Performance**</td></tr>
<tr>
<td>*Number of human service contracts*:</td><td>33</td>
<td>*Total number of agreements managed*:</td><td>330</td>
</tr>
<tr>
<td>*Number of human service programs contracted*:</td><td>80</td>
<td>*Number of contracting unit FTEs*:</td><td>2.1</td>
</tr>
<tr>
<td>*Number of human service providers*:</td><td>30</td>
<td>*Estimated external FTEs supporting contract activities*:</td><td>1.7</td>
</tr>
<tr>
<td>*Fiscal Year 2012 State funds committed*:</td><td>$43,161,786</td>
<td>*Fiscal Year 2011 % of contracts executed prior to start date*:</td><td>35%</td>
</tr>
<tr>
<td>*Fiscal Year Federal funds committed*:</td><td>$495,000</td>
<td>*Fiscal Year 2012 % of contracts executed prior to start date*:</td><td>77%</td>
</tr>
<tr>
<td>*Average number of contracts held per provider*:</td><td>1</td>
<td>*Percent of contracts having terms of 2 years or less*:</td><td>3%</td>
</tr>
<tr>
<td>*Percent of OAG pre-approved scopes-of-service*:</td><td>0%</td>
<td>*Percent of contracts having terms of 3 years or more*:</td><td>97%</td>
</tr>
<tr><td colspan="4" align="center">*Agency Strengths and Weaknesses*</td></tr>
<tr><td colspan="2" align="center">**Strengths**</td><td colspan="2" align="center">**Weaknesses**</td></tr>
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1. Authority and responsibility for all contracting activities and functions is centralized within the Contracts Unit.
2. All contracting functions (POS/PSA/MOU/Other) are performed within the Contracts Unit.
3. The highly developed knowledge, experience, longevity and cohesiveness of staff in the Contracts Unit is a significant contributing factor in the agency's ability to meet its benchmarks and state contracting requirements.
4. Contracts Unit maintains formal/informal training tools for utilization and provides targeted training to internal staff.
5. The level of collaboration and communication among providers, Contracts staff and Parole staff enhances CTDOC's relationship with the non-profit community, increases the efficiency of contract and program administration and improves the quality of programming components offered to offenders.
6. Strategic Planning Process is utilized biannually to evaluate the community service needs of CTDOC offenders.
7. Contracts are sent electronically to providers for review and signatures.
8. All provider payments are based solely on receipt of OPM allotment, allowing for issuance of payments within 2-3 days.
9. Electronic submission of programmatic and financial reports is a requirement. CTDOC does not require hard-copy or signed submission of reports.
10. Contracts staff maintain an electronic library of active contracts available to all CTDOC staff, and also catalog available services in a Directory of Contracted Services, available to the public on CTDOC's website.
11. Provider performance is evaluated annually in comparison to programs of like type and the results of that evaluation are communicated to the provider in an annual report.
12. Data from prior fiscal years supports CTDOC's continued achievement and ability to improve its timely contract execution rates.
13. CTDOC has maximized utilization of consolidated contracts.
14. CTDOC requires providers to submit a whole-agency budget which allows Contracts staff to evaluate the efficacy and financial stability/makeup of the entire provider agency, while also

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1. The Contracts Unit and its staff are not solely dedicated to contract functions, and are tasked with unrelated activities and duties and subject to external, unrelated priorities.
2. Current Contracts Unit staffing structure is insufficient in FTEs and classification to ensure the programmatic, financial and administrative efficacy of $44,000,000 in contracted human services, and presents significant concerns as to the ability of the agency to continue contract functions should existing staff vacate their current assignment.
3. Contracts staff do not receive formal training on contract development, administration and oversight; legal sufficiency of contracts or oversight of non-profit entity budgets.
4. CTDOC experiences significant delays in contract processing related to the requirement for submission of excessively detailed provider budgets and narratives.
5. CTDOC manually tracks and compiles provider utilization, statistical and performance data.

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determining other state agency funding contributions.	

Recommendations

1. Analyze functional job duties currently performed by Contracts Unit to determine appropriate job classifications for contracting functions, and analyze the agency's contract workload to determine the number of staff needed in each classification.

2. Implementation of required training for Contracts staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).

3. Implementation of a web-based data management system that allows for provider submission of required fiscal, utilization, statistical and performance data, and is capable of providing reports using aggregate data submitted by multiple provider.

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3. Department of Developmental Services

Metrics				
Human Service Contracting			**Contract Unit Workload & Performance**	
Number of human service contracts:	**192**		*Total number of agreements managed*:	**155**
Number of human service programs contracted:	**594**		*Number of contracting unit FTEs*:	**20**
Number of human service providers:	**186**		*Estimated external FTEs supporting contract activities*:	**TBD**
Fiscal Year 2012 State funds committed:	**$603,498,677**		*Fiscal Year 2011 % of contracts executed prior to start date*:	**100%**
Fiscal Year Federal funds committed:	**$10,475,985**		*Fiscal Year 2012 % of contracts executed prior to start date*:	**100%**
Average number of contracts held per provider:	**1.1**		*Percent of contracts having terms of 2 years or less*:	**68%**
Percent of OAG pre-approved scopes-of-service:	**86%**		*Percent of contracts having terms of 3 years or more*:	**32%**

Agency Strengths and Weaknesses

Strengths	**Weaknesses**
1. Current staffing structure and numbers supports reorganization of contracting duties to address agency weaknesses.	1. Contracts staff do not receive formal training on contract development, administration and oversight; legal sufficiency of contract or oversight of non-profit entity budgets.
2. Contracts Unit maintains formal and informal training tools for contracts staff to utilize and provides targeted training to internal staff.	2. Regional business office and program staff are not fully knowledgeable regarding contract processes.
3. Payment processes are streamlined and initiated electronically between the provider, Contracts and Fiscal staff.	3. Contract roles are not efficiently defined between agency units, resulting in duplicative processes and confusion as to final authority/decision-making.
4. Electronic submissions of programmatic and financial reports are required.	4. Completion of OPM requests requires data entry by multiple staff in multiple units.
5. Contracts are sent electronically to providers for review and signatures.	5. Communication and approval processes, specifically pertaining to Birth to Three, are convoluted and duplicative.
6. Data from prior fiscal years support DDS' continued achievement of and ability to improve its timely contract execution rates.	6. POS contract development, implementation and management is not centralized within one unit, causing variances in process, structure and management.
7. A high percentage of POS contracts are consolidated.	7. Contract pre-approval process relies on hard-copy routing.
8. Contracts Unit is highly automated and technologically advanced; utilizing a web-based, interactive system for provider financial and programmatic reports, payment calculations, etc.	

Recommendations

1. Current staffing classifications and FTE's would support consolidation of the agency's two contracting units into a centralized unit that includes additional contracting duties related to development of scopes of services, and comprehensive programmatic and administrative contract monitoring. This consolidation should ensure that all POS contracts within the agency are managed within the same unit.
2. Implementation of required training for Contracts staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).
3. Implement an electronic library, maintained by the Contracts Unit, of active contracts to be made available to all DDS staff.
4. Eliminate the role of the DDS East Hartford Business Office in contract processing; centralize all contracting functions including B-3.

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4. <u>Department of Mental Health and Addiction Services</u>

Metrics					
Human Service Contracting			**Contract Unit Workload & Performance**		
Number of human service contracts:	205		*Total number of agreements managed*:		617
Number of human service programs contracted:	850		*Number of contracting unit FTEs*:		8.5
Number of human service providers:	159		*Estimated external FTEs supporting contract activities*:		13.3
Fiscal Year 2012 State funds committed:	$223,486,215		*Fiscal Year 2011 % of contracts executed prior to start date*:		100%
Fiscal Year Federal funds committed:	$26,860,940		*Fiscal Year 2012 % of contracts executed prior to start date*:		78%
Average number of contracts held per provider:	1.3		*Percent of contracts having terms of 2 years or less*:		100%
Percent of OAG pre-approved scopes-of-service:	100%		*Percent of contracts having terms of 3 years or more*:		0%

Agency Strengths and Weaknesses	
Strengths	**Weaknesses**

Strengths	Weaknesses
1. Human Service Contract Unit (HSCU) is a unit dedicated to contract processing and is neither tasked with unrelated activities and duties nor subject to external unrelated priorities.	1. The POS Contract Spending Plan is developed and maintained by one staff member from the Budget Unit.
2. Contract development, execution and financial oversight and payment activities are solely the responsibility of HSCU staff.	2. HSCU staff do not receive formal training on contract development, administration and oversight; legal sufficiency on contracts or oversight of non-profit entity budgets.
3. Staffing numbers/job class are equitable & support assigned duties/workloads.	3. Staff in LMHAs are not fully knowledgeable and timely regarding contract processes.
4. The highly developed knowledge, experience, longevity and cohesiveness of staff in the Human Service Contract Unit (HSCU) are a significant contributing factor in the agency's ability to meet its benchmarks and state contracting requirements.	4. Contract pre-approval process relies on hard-copy routing.
5. HSCU maintains formal and informal training tools for contracts staff to utilize and provides targeted training to internal staff.	5. Internal contract execution process is complex with manual routing to many places with associated approvals.
6. HSCU and Program staff have a high level of knowledge and collaborate on: contract language, RFPs, contract deliverables, outcomes, and measures.	6. While electronic copies are accepted for initial review, providers are still required to submit hard-copy, original, signed financial reports.
7. An annual Strategic Planning Process is utilized to evaluate and prioritize service needs.	7. HSCU is not part of strategic planning process. HSCU staff could lend valuable advice and historical significance to contractor performance and fiscal/administrative viability.
8. HSCU utilizes automated document creation software to assist with contract preparation.	
9. Contracts are sent electronically to providers for review and signature.	
10. Most provider payments are based solely upon contract execution and receipt of OPM allotment, and are initiated electronically between HSCU and Fiscal Services Bureau.	
11. Program is solely responsible for programmatic report review and program monitoring. They are not tasked with fiscal administrative contract monitoring.	
12. Data from prior fiscal years supports DMHAS' continued achievement of and ability to improve its timely contract execution rates.	
13. A high percentage (80%) of POS contracts are consolidated.	
14. DMHAS has maximized utilization of OAG pre-approved scopes of service	

Recommendations
1. Move the POS Contracting Spending Plan to HSCU or increase the depth of budget and spending plan expertise in the Budget Office through

cross-training of staff.

2. Implementation of required training for HSCU staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).

3. The contract pre-approval request and contract execution routing process should be electronic with electronic signatures.

4. Institute contracts with longer terms.

5. Eliminate hard-copy, signed submission of all reports. Electronic submission is auditor tested and accepted at other agencies.

6. Modify the role of Program in budget/financial oversight. Rely on them as external resources, but not as required review/approvers (unless significant problems are identified by Contracts staff).

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5. Department of Public Health

<table>
<tr><td colspan="4">Metrics</td></tr>
<tr><td colspan="2">Human Service Contracting</td><td colspan="2">Contract Unit Workload & Performance</td></tr>
<tr>
<td>Number of human service contracts:</td><td>281</td>
<td>Total number of agreements managed:</td><td>657</td>
</tr>
<tr>
<td>Number of human service programs contracted:</td><td>31</td>
<td>Number of contracting unit FTEs:</td><td>13</td>
</tr>
<tr>
<td>Number of human service providers:</td><td>147</td>
<td>Estimated external FTEs supporting contract activities:</td><td>42.5</td>
</tr>
<tr>
<td>Fiscal Year 2012 State funds committed:</td><td>$24,062,651</td>
<td>Fiscal Year 2011 % of contracts executed prior to start date:</td><td>5%</td>
</tr>
<tr>
<td>Fiscal Year Federal funds committed:</td><td>$23,934,371</td>
<td>Fiscal Year 2012 % of contracts executed prior to start date:</td><td>50%</td>
</tr>
<tr>
<td>Average number of contracts held per provider:</td><td>1.9</td>
<td>Percent of contracts having terms of 2 years or less:</td><td>16%</td>
</tr>
<tr>
<td>Percent of OAG pre-approved scopes-of-service:</td><td>58%</td>
<td>Percent of contracts having terms of 3 years or more:</td><td>84%</td>
</tr>
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<table>
<tr><td colspan="2">Agency Strengths and Weaknesses</td></tr>
<tr><td>Strengths</td><td>Weaknesses</td></tr>
<tr><td valign="top">

1. CGMS is a unit dedicated to contract processing and is neither tasked with unrelated activities and duties nor subject to external unrelated priorities.
2. Current staffing structure and numbers supports reorganization of contracting duties to address agency weaknesses.
3. CGMS duties are not segregated by employee. Staff are cross-trained in contracting processes, which supports assignment flexibility and workflow continuity.
4. CGMS maintains formal and informal training tools for CGMS staff to utilize and provides targeted conference-style training to internal staff and providers.
5. CGMS has already established a culture that identifies areas of improvement and is supportive of agency change.
6. CGMS has invested in development of an agency-specific, personalized contracts management system which includes contract management statistical data reporting capabilities.
7. CGMS utilizes automated document creation software to assist with contract preparation.
8. Contracts are sent electronically to providers for review and signatures.
9. CGMS staff maintain an electronic library of active contacts available to all DPH staff.
10. DPH emphasizes comprehensive program oversight and performance review as a means to ensure the efficacy of its programs.
11. CGMS is working to maximize its use of OAG pre-approved scopes of service.

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1. Contract roles are not efficiently defined between agency units, resulting in duplicative processes and confusion as to final authority/decision making thus causing delays in contract execution and payment.
2. Contracts staff do not receive formal training on contract development, administration and oversight, legal sufficiency of contracts, or oversight of non-profit entity budgets.
3. Program staff with no financial background or training are heavily involved in financial aspects of the contract including budget development and review, budget revision review, and financial report review.
4. CGMS staff lack full understanding of program requirements.
5. CGMS has not maximized consolidation of contract programs.
6. CGMS requires review of a completed contract package by the staff member who assembled it, a peer staff member, and the Director of CGMS prior to agency execution.
7. A significant number of contracts are not executed prior to their start dates.
8. Completion of OPM requests requires data entry by both Programs and CGMS.
9. OPM requires submission of both contract spending plans and contract requests (online system). This is duplicative and time-consuming.
10. Each contract SID within each Program requires a separate budget and corresponding financial report resulting in multiple budgets and multiple expenditure reports for each Program within the contract.
11. Hard-copy, original financial reports signed by the contractor are required.
12. Identified subcontractors are required to complete separate financial reports that DPH must review and approve prior to authorization of payments.
13. Financial reports must be reviewed for acceptance by 3 separate units.
14. CGMS staff lack authority to determine financial reports as final and accurate.
15. Payment requirements and processes duplicate already completed activities, are entirely paper based using manually generated

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	ledgers, and is redundant.
	16. Several contractual payments are tied to receipt and review of providers' financial reports.
	17. Contract purchase orders are not generally created for the life of the contract.
	18. CGMS staff lack final authority to authorize payments.
	19. Multiple hardcopy contract files are maintained by multiple units and within CGMS itself.

Recommendations

1. Restructure contracting functions to give CGMS staff the responsibility of financial development/monitoring and Program staff responsibility for Scope of Service development and program monitoring. Eliminate Fiscal Office review of any contract-related financial report.
2. Modify Fiscal's role in Funding Determination. Fiscal should share Spending Plan information with Programs and CGMS. Programs should make the determination as to how to allocate those dollars (spending plan development), submit to CGMS, and CGMS should ensure that the dollars are utilized in accordance with the figures provided by Fiscal.
3. Implement required training for Contracts staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).
4. Modify Contract request document to include all information required to complete OPM requests.
5. Eliminate hard-copy, signed submission of all reports. Electronic submission is auditor tested and accepted at other agencies.
6. Eliminate submission of financial reports by SID and financial reports from subcontractors. Financial reports should be submitted by program. This is auditor tested and accepted at other agencies.
7. Completely restructure payment process eliminating Fiscal Office review and approval.
8. Eliminate contractual language that ties payments to report submission. Part II language in the POS contract already allows for payment withholding if reports are late. DPH should explore quarterly/prospective payments wherever possible.

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6. <u>Department of Social Services</u>

Metrics				
Human Service Contracting			**Contract Unit Workload & Performance**	
Number of human service contracts:	777		*Total number of agreements managed*:	1,101*
Number of human service programs contracted:	797		*Number of contracting unit FTEs*:	6
Number of human service providers:	143		*Estimated external FTEs supporting contract activities*:	35.5
Fiscal Year 2012 State funds committed:	$421,000,000		*Fiscal Year 2011 % of contracts executed prior to start date*:	1%
Fiscal Year Federal funds committed:	$297,000,000		*Fiscal Year 2012 % of contracts executed prior to start date*:	12%
Average number of contracts held per provider:	2.35		*Percent of contracts having terms of 2 years or less*:	39%
Percent of OAG pre-approved scopes-of-service:	40%		*Percent of contracts having terms of 3 years or more*:	61%

Agency Strengths and Weaknesses	
Strengths	**Weaknesses**

Strengths

1. Contracts are a unit dedicated to contract processing and is neither tasked with unrelated activities and duties nor subject to external unrelated priorities.
2. Contract Unit maintains formal and informal training tools on Contract procedures and provides targeted conference-style training to internal staff and providers.
3. Contract Unit has already established a culture that identifies areas of improvement and is supportive of agency change.
4. No contract functions are performed at the regional level.
5. Contract Staff has established and maintained excellent communication with program staff, providers, and OAG to ensure accurate administrative processing of contracts.
6. DSS has begun exploring a team approach to contracting by embedding fiscal staff within some of the program units to oversee contract budgets and fiscal reports.
7. DSS has invested in development of an agency-specific, personalized contracts management system which includes automated document creation and contract management statistical data reporting capabilities.
8. Contracts Unit utilizes an electronic submission process for OAG contract signature.

Weaknesses

1. Current Contracts Unit staffing structure is insufficient in FTEs and classification to ensure the programmatic, financial and administrative efficacy of 1101 contracts totaling $718,000,000 in contracted human services.
2. Fiscal office policies and procedures prevent efficient contract activity distribution among and between agency sections and staff.
3. CORE-CT access rights are controlled by Fiscal. Contracts and Program staff do not have appropriate CORE-CT privileges to complete or review work efficiently.
4. Contract spending plan development, contract approval and contract payment process between Programs and Fiscal is cumbersome, redundant, and time-consuming causing untimely delays.
5. Contracts staff do not receive formal training on contract development, administration and oversight, legal sufficiency of contracts, or oversight of non-profit entity budgets.
6. Program staff with no financial background or training is solely involved in financial aspects of the contract including review and approval of budget development, budget revisions, and financial reports.
7. Contract Unit has not maximized consolidation of contract programs.
8. A significant number of contracts are not executed prior to their start dates.
9. Completion of OPM requests requires data entry by both Programs and Contract Unit.
10. Contract Unit staff has no involvement in contractual financial matters including financial report review and budgeting.
11. Hard-copy, original financial reports signed by the contractor are required for payment.

Recommendations

1. Restructure contracting functions to give Contract Unit staff the responsibility of financial development/monitoring and Program staff responsibility for Scope of Service development and program monitoring.
2. Explore cross training within Contract Unit staff between the Procurement side and Contract side.
3. Implement required training for Contracts staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be

developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).

4. Modify Fiscal's role in Funding Determination. Fiscal should share Spending Plan information with Programs and Contract Unit. Programs should make the determination as to how to allocate those dollars (spending plan development), submit to Contracts Unit, and Contract Unit should ensure that the dollars are utilized in accordance with the figures provided by Fiscal.
5. Completely restructure payment process and eliminate contractual language that ties payments to report submission. Part II language in the POS contract allows for payment withholding if reports are late. DSS should explore implementation of quarterly/prospective payments wherever possible.
6. Modify Contract request document to include all information required for Contract staff to solely complete OPM requests.
7. Eliminate hard-copy, signed submission of all reports. Electronic submission is auditor tested and accepted at other agencies.
8. Implement an electronic library maintained by the Contracts unit of active contracts to be made available to all DSS staff.

NOTE:

- **DSS:** Contracting activity changed significantly following FY 2012 due to the absence of funded programs such as ARRA and Child Care from DSS. FY 2013 POS contract number reduced to 580 and the total contracted POS funding reduced to $334,795,605.

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B. System-Wide Contract Unit Organizational & Business Processes

1. Office of Policy and Management (OPM) Recommendations

   OPM is responsible for development and maintenance of human service contract procurement standards. As the entity charged with oversight of standardized human service contracting processes, OPM is responsible for ensuring that each agency performs contracting duties in accordance with state statute and published procurement standards. Achievement of satisfactory performance requires a level of standardization that currently does not exist.

   i. Uniform Chart of Accounts/Standardized Budget Reports: OPM shall coordinate and oversee development of a standardized chart of accounts and budget/reporting templates for mandatory use by all human service agencies. Such process should include OPM staff and contract experts from the human service agencies, as well as consultation with private provider representatives.

   ii. Enterprise Contract Management System: OPM shall evaluate, purchase/design, and implement a web-based contract management system for use by all human service agencies. Such system should support contract assembly, provider interaction, electronic interfacing, and web-based budgeting, data and report submission, budget revisions, and year-end processing.

   iii. Timeframes Regarding Contract Approvals and Execution: OPM shall require agency accountability regarding timeframes for approving commencement and completion of annual contract development and execution processes. 95% of contracts shall be executed at least fifteen days prior to contract commencement.

   iv. Job Duties/Classifications: OPM shall coordinate and oversee evaluation of the duties required to develop, implement and oversee human service contracts. The evaluation will: include DAS staff and human service contract experts from the human service agencies; determine proper job descriptions and classifications for staff assigned to the human service contract units; and develop a standard staffing allotment for human service contract units.

   v. Training: OPM shall coordinate and oversee development of mandatory standardized, contract-specific, training for staff assigned to contracting units (as promulgated by OPM Procurement Standards and required per state statute). Such training curriculum will include contracting standards and policies required by Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency as deemed relevant.

   vi. OPM Approvals: OPM shall evaluate current requirements for submission/approval of Procurement Plans, Spending Plans and OPM Contract Requests to eliminate redundancy, and streamline processes.

2. Human Service Agency Recommendations

   i. Organizational/Cultural & Staffing Structure

   Contracting units within human service agencies account for $1.6 billion (state and federal funding) annually and approximately 1,500 human service contracts. Contracts synthesize legal, programmatic, financial and language components that require specialized skill sets and efficient processes. The agencies that are best able to meet their human service contracting needs in a <u>timely and efficient manner</u> are those with fiscal, administrative, and monitoring functions consolidated within a full service Contracts Unit, and not diffused throughout the organization.

       a. Organizational Responsibilities: Following funding approval by an agency's budgetary unit and OPM, contract units working in consultation with program units shall be responsible for all

contracting functions in accordance with the standards established by OPM. Redundant and inefficient requirements or involvement by other units should be eliminated. Additionally, human service agency contract units should be responsible for development and administration of all contract types administered by the agency i.e., POS, PSA, MOU, etc.

b. Balancing Accountability and Collaboration: Human service agencies shall cultivate an attitude towards contracted service providers that effectively balances programmatic and fiscal requirements and accountability. Human service agencies will also foster a non-punitive and mutually beneficial relationship with all stakeholders.

ii. Training

Training for contract unit staff is a mandatory requirement per OPM Procurement Standards (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5). Additionally, training for agency staff responsible for ancillary contracting functions (i.e., program staff), and training for provider staff enhances the efficiency and efficacy of the contracting process.

a. Contract Unit Staff Professional Development: Agencies shall provide professional development opportunities to enhance Contracts staff skill-sets (i.e., basic writing skills, English composition skills, contract writing).

b. Agency Cross Training: Agencies shall develop inter-unit cross-training opportunities to increase staff knowledge pertaining to contract development/oversight and programs.

c. Provider Training: Agencies shall develop collaborative training opportunities for provider staff to cover topics such as competitive procurement, contract development, and financial and programmatic report submission, etc.

iii. Funding & Contract Request Approvals

An identified source of delays in contract development at a majority of human service agencies involves funding identification/allocation, and contract request/approval processes.

a. Contract Funding Approval: The agency's budget unit shall be responsible for verifying availability of contract funds and notification to program and contract units of overall funding amounts. Program units in coordination with the contract units shall be responsible for funding allocation to specific contracts and/or providers.

b. Post Approval Contract Activities: Following funding identification and approval, oversight of contract development and management, including budgetary and financial, shall be the responsibility of the contracts unit. Inter-unit pre-approval of the contract will be limited to staff/units directly involved in the contract process or contract oversight (i.e., program unit, contracts unit, agency heads).

c. Electronic Routing and Approvals: Intra-unit agency approval process shall rely on electronic routing and approvals eliminating manual, paper-based processes.

iv. Contract Processing

Development of standardized, automated processes to streamline administrative functions associated with contract assembly, signature, execution and management is essential to contract staff efficiency and the timeliness of contract execution and payment.

a. Scopes of Service (human service contracts): Agencies shall develop and implement OAG pre-approved scopes of service in cases where such use improves timeliness of contract execution and programmatic oversight.

b. Contract Consolidation: Agencies shall implement consolidated contracts to maximize efficiency for both state agencies and provider entities. Agencies utilizing more than 3 separate contracts with the same provider shall analyze those contracts for consolidation and shall submit their findings/level of adherence to OPM with their annual consolidation report. Increasing the contract period of performance (see c. below) and allowing different periods of performance for programs within the consolidated contract would help enable greater consolidation of contracts. There are issues that need to be addressed as part of implementing such changes.

c. Contract Period of Performance: Where possible agencies shall implement contracts with contract terms of up 8 years.

d. Electronic Contract Assembly: Agencies shall implement electronic contract assembly software (i.e., HotDocs) to assist with contract execution process and ensure consistency in contract assembly.

e. Electronic Contract Submittals: Agencies shall implement electronic processes for contract transmittal to and receipt from providers during signature/execution process (i.e., PDF contracts emailed to providers with instructions for return).

f. Reduced Number of Hard Copy Contracts: Agencies shall eliminate hard-copy storage of contracts in multiple locations/units. The contract unit maintains one original, hard-copy master file for as long as original, hard-copy signatures are a requirement by the Office of the Attorney General.

g. Electronic Contracts Library: Agencies shall implement an electronic contracts library that all agency staff can access to view active, executed contracts.

v. Financial Management

Human service contracts account for $1.6 billion annually in state and federal funds. Due diligence is required to ensure the proper utilization and expenditure of these funds.

a. Contract Budgets: Contracts and Program staff will collaboratively oversee development of contract/provider budgets.

b. One Budget per Program: Provider contract budgets will be consolidated to ensure that each funded program contains only one budget per funding period except where otherwise required by federal funding authorities.

c. Electronic Reports, Absent Signature: Contract periodic reports will be accepted electronically, absent signature, eliminating requirements for submission of hard-copy, original, signed financial reports/budget revisions.

d. Review and Approval of Financial Reports/Budget Revisions: Contact unit staff shall be responsible for approval of financial reports and budget revision in consultation with Program staff.

e. Streamlined Payment Processes: Human service agencies will decouple payment releases from receipt and acceptance of financial and/or programmatic reports. Any requirement for submission of invoices or documentation from the provider prior to payment shall be eliminated.

f.   Basis for Payments: Payment shall be made to providers quarterly, prospectively; based solely on receipt of state agency allotments.

g. Authorizing Payments: Payment authorization shall be the responsibility of the contract unit. Human service agencies shall eliminate Program/Fiscal review and/or approval of payment requests.

h. Payment Standards:

   1) A single CORE Purchase Order shall be created and tied to the CORE Contract, for the life of the contract. Contract unit staff shall, upon receipt of quarterly OPM allotment and availability of funding in each Account/SID, provide pertinent payment information (either electronically or hardcopy) to fiscal Accounts Payable unit.

   2) Agencies and OPM shall identify and/or implement a process to categorize CORE-CT payment information by contract type to improve correlation of CORE-CT report output.

i. Responsibility for Year-End Reconciliation: Contract unit staff shall be responsible for oversight of Fiscal Year-End reconciliation and State Single Audit review.

vi. Contract Monitoring/Oversight/Outcomes

As required *by state statute, and as promulgated by OPM, agency staff must ensure the programmatic and financial efficacy of contracted programs. Agency contract processes should support an emphasis on programmatic outcomes.*

a. Financial and Programmatic Reporting and Data Analysis: Agencies shall develop a coordinated administrative and programmatic oversight component that includes administrative oversight, fiscal/programmatic reporting, and data analysis performed collaboratively by Program and Contracts staff.

b. Management of Service Level Data: Agencies shall develop and implement protocols for the compilation, aggregation and electronic storage of financial, statistical and programmatic data to measure the provider's ability to meet contractual obligations.

c. Programmatic Outcomes: Commissioners shall review and approve outcome measures to be included in POS contracts and submit these measures to OPM. Agencies shall take into account how these measures within and across programs contribute to the applicable cross-agency results and indicators developed by the Governor's Cabinet for Non-Profit Health and Human Services.

d. Reporting on Outcomes: In a format and timeframe identified by OPM, State agencies shall submit a report to OPM listing performance outcome results for each program category involving $1.0 million or more in annualized expenditures and for each contract within that category. These reports shall be posted on OPM's and the agency's web-site.

3. Office of the Attorney General (OAG) Recommendations

Operational/Organizational

As legal counsel for the human service agencies, the OAG is responsible for representing agencies in any contractual dispute. As such, the OAG has a need for input into how contracts are developed. That involvement should not unduly hinder or slow the contract process.

i. Electronic Signatures – The OAG in conjunction with OPM shall identify and evaluate the legal requirements for, and possible ramifications of, electronic contract signatures.

ii. Standardized Protocols for Reviews - The OAG shall develop standardized protocols for review and approval of human service contracts to ensure that contracts and scope of service pre-approvals from each agency are reviewed and processed in accordance with the same requirements and standards.

iii. Streamlined Processes - The OAG shall identify streamlined and efficient agency processes to avoid redundancies and promote timely execution of all contracts.

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C. *Model Contract Unit Staffing Considerations and Recommendations*

1. Overview and Assumptions

Ongoing analysis of human service agency contract activities has identified common activities, or functions, that are performed within a contracting unit. To quantify staffing requirements for human service contracting units, the Project Office team analyzed each of the activities and, based on well-established knowledge of the requirements and conditions necessary to conduct each activity, assigned a time allotment and percentage required to conduct the activity. This information was adjusted to represent base information for a unit with a workload of one-hundred (100) contracts. To identify the type of staff needed to perform each required activity, it was necessary to classify each activity in accordance with the type of work involved. The PEO Team identified five (5) major activities, or functional categories:

- Administrative Functions: These functions within a Contracts Unit are clerical or administrative in nature i.e., Unit telephone answering, correspondence, mail distribution, data tracking, staff management, planning, quality control/improvement, etc.

- Financial-Related Functions: These functions within a Contracts Unit are related to financial development, oversight and management of provider non-profit contract budgets, financial reports, budget revisions, State Single Audits and year-end reconciliation. These functions include negotiation of funding, budget review and approval, financial report review and approval, budget revision review and approval, and payment review and approval.

- Contract Professional Functions: These functions within a Contracts Unit are specific to contract negotiation, development, writing, oversight and monitoring. These functions include negotiation contracts, writing contracts, assuring legal sufficiency of contracts, monitoring contracts for compliance and assurance of contract fiscal and programmatic efficacy.

- Contract Processing Functions: These functions within a Contracts Unit are largely clerical in nature, but require specialized knowledge of contract, state and federal requirements for assembly and required forms and attachments. These functions are largely responsible for assembling a contract for signature, processing through necessary entities and notification to related parties upon execution.

- Program-Related Contract Functions: These functions within a Contracts Unit are largely focused on ensuring the efficacy of the individual programs under contract. These functions assist in service need determinations, development of scope of services, technical assistance on budget revisions, program monitoring and performance outcome measure adherence.

The analysis results are presented in the following table, which indicates the number of contracting activities that fall within each of the categories, the percentage of that number to the total number of activities, the FTEs required to perform those activities in managing one-hundred contracts annually. Because the information is based on a unitary measure of one-hundred contracts it is scalable up or down as needed. It is important to note that there is variability in the composition of contract types and/or activities performed within each human service agency. Therefore the numbers represented herein may be subject to adjustment based on specific or unusual work requirements.

Functional Category	# of Type	% of Type	FTE per 100 Contracts Managed
Administrative Functions	6	15.79	.34
Fiscal Related Functions	17	44.74	1.1
Contract Professional Functions	6	15.79	.34
Contract Processing Functions	8	21.05	.51
Program Related Functions	1	2.63	.11
Total	38	100.00	2.40

Classification as illustrated supports determination of the relative staffing needs of administrative, fiscal, professional, processing, and program-knowledgeable employees. In certain categories there is no exact correlation between the functional requirements of a human service contracting unit and job duties associated with existing job classes within the state employment classification system. In such cases, new job classes should be created by appropriately modifying existing classes that encompass a significant number of the required job-skills. Existing classes can be used without modification where appropriate classes currently exist.

The list below is segregated into those categories with job classes that match the job requirements and those categories with job classes that do not match. I**n order to encompass the unique skill-sets necessary for successful human service contract unit functioning, the job classes in the second category are suggested as the basis for modification and development of job-classes specific to human service contracting.**

2. Closely Correlated Job Classes Within Categories

   i. Fiscal Related Functions

      a. Associate Accountant

      b. Associate Accounts Examiner

   ii. Contract Processing Functions

      a. Administrative Assistant

      b. Processing Technician

3. Non-Correlated Job Classes Within Categories

   i. Administrative Functions

      a. Manager of Procurement Programs and Services

      b. Contract Team Leader

   ii. Contract Professional Functions

   Grants and Contracts Specialist

   iii. Program Related Contract Functions

   Health Program Associate (titles would vary based on agency)

Staffing Recommendation Disclaimer: *The information assembled and presented in this document does not result from a detailed time-study. The Project Office team applied its considerable knowledge of contracting processes, activities, and functions to derive the information contained herein, and included data collected from analysis of current human service contracting activities. Due, however, to the multitude of unknowns when embarking on a project of this nature and scale, and due to the lack of scientifically acquired time-study*

data, no warrantee or claim of accuracy accompanies the information contained herein. The presented information only represents the results of estimations and assumptions derived by a team of highly experienced human service contracting professionals.

D. *Uniform Chart of Accounts/Standardized Budgetary Systems*

Currently each human service agency determines the format and detail required for budget development within its contracts. Such determination supports administration of the contractual relationship and management of funds awarded to the provider. Multiple human service agencies often contract with the same provider creating disparate reporting requirements for such a provider. Examples of the various human service agency specific requirements are illustrated in the following chart:

Agency	Cost Center / Program Budget Format	Personnel Detail	Income & Expense Detail	Admin & General Detail
DMHAS	Budget by program / cost center. 6 line items of expense (Salary, Fringe, Direct Operating, A & G, Capital Exp and Other)	Staff specific FTEs / salaries including A & G staff. **Not included in contract document.**	Detailed breakdown / narrative for each line item. **Not included in contract document.**	Detailed breakdown / narrative. Not included in contract document.
DCF	Detailed budget by program /cost center. 8 sections for expense: Salary, Fringe, Consulting/Contractual, Travel, Program supplies/Consumables, Rent/Mortgage, Capital, Other.	Staff specific FTEs / salaries	Detailed breakdown / narrative for each line item.	Itemized A&G cost pool by category
DPH	Budget by SID, program/component. The budget lists a single Salary line item. Fringe Benefits are listed separately and are not included in A&G. Ten additional standard line items, one being Other Expenses. If used this line is expended to itemize each "Other" expense.	Staff detail includes personnel names, hours and rates of pay as well as Fringe Benefit amounts. **Not required to be included in the contract but maintained in the file for final reconciliation.**	Budget justification includes detail describing how the funds will be used and forms the basis for approval. **This information is not included in the contract.**	Breakdown and justification included in the budget request but not included in the contract. A&G is listed as a single line item.
DOC	Whole agency consolidated budget, supplemented by individual budget pages by program (or program type if multiple programs of same type), for each program covered under the contract.	Number of positions by type and FTE's for each funded position with associated dollars.	Detailed breakdown of each expense incurred in the program with an associated narrative for each line item.	Detailed breakdown of each expense incurred for the agency, with a specific narrative for each line item funded in whole or in part by CTDOC.
DDS	Budget is broken down by day, residential and CTH categories and into individual cost centers for each program.	Direct Staff specific FTEs / salaries. Benefits are detailed in a separate spreadsheet by line item.	5 line items of expenses (Salary, Benefits, Non-Operating, A & G, and any revenue offsets) for each cost center. Revenue offset is any income generated by the program in terms of sales revenue, private pay or LEA funds.	Detailed breakdown of salary, FTE and non-salary expenses.
DSS	Program Budget 6 Line Items - Unit Rate, Contractual Services, Admin, Direct Program Staff, Other, Equipment	Minimal detail included in contract language	Program income listed on financial summary. Expense listed on Budget back-up.	Detail in contract

1. Uniform Chart of Accounts

   The Project Office team recommends that, in consultation with State agencies and provider representatives, a uniform chart of accounts (UCOA) be developed for human service contracting. Work on developing the UCOA this recommendation is already underway. Standardization of expense and revenue accounts across the agencies will lend the opportunity to analyze human service contracting on a statewide basis. A uniform chart of accounts will also streamline the budgeting and reporting processes for both State agencies and the provider community. The goal of this initiative is to improve the timeliness of contract execution, budget development and report preparation and to reduce the administrative burdens and paperwork associated with contracting and contract management processes.

2. Standard Budget Format

   The Project Office team recommends that a standard budget for human service contracts shall be based on the uniform chart of accounts. The budget will contain sections for revenues, expenses, and detail schedules for each program funded in the contract.

3. Standard Financial Reports

   The Project Office team recommends that a standard financial report format based on the standard budget be developed and used by all human service agencies. A standard financial report format will provide efficiencies and streamline the reporting process.

E. *Development of Automated/Web-Based Contract Management Systems*

The approval, development, execution and administration of human service contracts involve business processes and the sharing of information between various state agencies and providers. Some of these processes have been automated however, none of these systems or processes are interconnected, share data, or make it accessible to providers.

One of the functions performed by the Project Office Team included analyzing the capabilities of DAS's BizNet system. This system was then added to the contract processing functions of all human service agencies and is now utilized to reduce the flow of paperwork between the agency and the provider. The PEO Team also attended numerous demonstrations by vendors offering grant management software systems. The systems demonstrated are capable of handling a range of business functions, including selection, award, contract development, execution, administration, and closeout of grants and can be easily adapted to meet contracting needs.

OPM is in the process of allocating funds to allow OPM Criminal Justice's grants/contracts management system be made available to other State agencies. After a standard POS contracting process and related business requirements are developed, OPM will work with the contracted software vendor and POS agencies, perhaps starting with one or two agencies, in order to commence the implementation of a POS contract management enterprise system.

F. *Human Service Agency Reorganizations and/or Consolidations of Contracting Activities*

The recommendations and other information presented in this document can be of special use and consideration for the following two currently existing situations:

1. Information contained within this report results from contract specific data for the 2012 State Fiscal Year and processes as they existed, and were documented at that time. Since that time, some human service agencies have moved forward with reorganization of some contract processes independently and others will embark on such initiatives as a result of this process.

2. Due to agency consolidations and reorganizations, a large number of contracts and agreements, which are currently administered by DSS, will be administered by new agencies. These new agencies include the Departments of Rehabilitation Services, Aging, and Housing. Final determinations have not been made regarding which contracts will move or the best approach to managing those contracts. An approach being considered is to manage the contracts for these new entities through a single shared service approach.

G. *Next Steps / Implementation Plan*

OPM, in consultation with the members of the PEO and POS agencies, will develop an implementation plan with respect to the recommendations included in this report. This implementation plan will :

- Prioritize recommendations;
- Outline specific action steps in regard to implementing recommendations ,and development of associated timelines;
- Assign responsibility for these action steps;
- Identify resources needed for implementation; and
- Develop a method of measuring agency progress in terms of the implementation of the recommendations

Implementing the recommendations included in this report is intended to improve timeliness and efficiency associated with contracting processes for both human service state agencies and their contracted providers. Realizing these improvements will require a continuing commitment and effort from OPM, state agencies, providers and others involved in these processes.

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III. APPENDIX – DEPARTMENT OF CHILDREN AND FAMILIES BUSINESS PROCESS REVIEW

Following is the agency specific Business Process Review document compiled for the Department of Children and Family.   This report includes a listing of Agency strengths, weaknesses, and recommendations for improvement.

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Department of Children and Families

STATE OF CONNECTICUT POS

PURCHASE OF SERVICE CONTRACTING

Business Process Review *Prepared by the Office of Policy and Management ▪ Project Efficiency Office*

Table of Contents

January 2013

I. Contract Data

DCF- Data Element	SFY 2012	
	Number/Dollars	**Percent of Total**
Contracts Managed by Agency Contracts Unit:	Total = 220	
- POS contracts	147	66.9%
- PSA contracts	73	33.1%
- MOU/Other contracts	0	%
Number of POS contractors	146	
Number of POS Contracts utilizing Scope of Services templates	97	
Consolidated POS Contracts:		
-Consolidated Contracts	146	99.9%
- Providers with 1 contract	145	99.9%
- Providers with More than 1 contract	1	99.9%
-Average POS contracts per program:	1	.1%
- Total # of Providers	146	
- Total # of Programs Under Contract	515	
Timeliness of Contract Execution:		
- More than 15 Days Prior to Start	38 of 76	50%
- Less than 15 Days Prior to Start	21 of 76	27.6%
- After Start	17 of 76	22.4%
- More than 30 Days After Start		
Total dollar amount of Contracts by Type:		
- POS	$203,000,000	%
- State dollars	$190,000,000	%
- Federal dollars	$13,000,000	
- Other dollars	NA	
Total agency budget:[1]	$872,248,080	23.1%[2]
Number & percent of:		
- one-year contracts	1	.7%
- three-year contracts	145	99.3%
- four-year contracts	0	NA
- five-year contracts	0	NA
- six-year contracts	0	NA
- eight-year contracts	0	NA
Number & percent of POS amendments:	65	44%
Number & percent of joint POS contracts:[3]	1	.7%

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[1] Source: SFY2012 Governor's Budget Summary
[2] Total Human Service budget in relation to agency budget
[3] A joint contract is one funded, but not necessarily signed, by two or more agencies with the same provider. DCF shares a contract the Advance Behavioral Health, (ABH) with DMHAS and DCF pays the bulk of the funding.

A. Contract Services

1. DCF purchases a wide array of community-based services for:

    i. abused and/or neglected children

    ii. children with mental health and substance abuse problems

    iii. children committed to the agency by the juvenile justice system

    iv. a limited number of services are available to children not involved with the Department

2. There are 97 templated service types which are divided into the following service categories:

    i. Prevention, Child Safety and Family Support

    ii. Medical, Substance Abuse and Domestic Violence

    iii. Mental Health, Preparation for Adult Living, and Out of Home Care

3. There are 29 SIDS for POS contracts (42 SIDS in total including 13 Federal SIDs)

4. DCF executes Personal Service Agreements, (PSA) to purchase a wide variety of support services that are primarily used for training and consultation. The agency has 73 PSAs.

5. There are 3,299 employees who serve 18,000 children and families annually.

B. Purchasing Authority

1. TITLE 17A   Social and Human and Resources

2. C.G.S. § 17a-6   Powers and Duties of Commissioner

C. Organizational Structure

1. **Overview:**

    The Division of Contract Management, (DCM) reports to the Deputy Commissioner of Administrative Services. The DCM is headed by a Fiscal Administrative Manager 2 (FAM2) who reports directly to the Chief of Financial and Administrative Services (CFAS). DCM consists of the Fiscal Administrative Manager 2 (the director): program staff, a Clinical & Family Behavior Health Clinical Manager and two, (2) Program Manager Administrative Support (PM): fiscal staff, Fiscal Administrative Supervisor (FAS), four, (4) Fiscal Administrative Officer (FAO), Associate Accountant(Assoc Acct), Associate Accountant Examiner (Assoc Acct Ex), Accounts Examiner (Acct Ex), Accountant (Acct), Processing Technician (PT), Secretary 2 (Sec2): The FAM2 also oversee the rate-setting staff and a principal cost analyst.

    i. DCM is responsible for:

        a. processing all contracts, including issuing first contracts after competitive procurement, amending contracts, issuing contract renewals, contract assembly and assuring compliance with all statutory and regulatory provisions

        b. posting payments for POS contracts and PSAs on CORE-CT

        c. providing technical assistance to contractors in preparing consolidated budgets, fiscal reports, and amendments

        d. reviewing consolidated budgets, fiscal reports, and amendments for accuracy

	e.	preparing budget reports and financial statements on POS activity
	f.	completing and tracking all forms related to PSAs
	g.	soliciting and reviewing applications for bond funds and completing awards
	h.	developing RFP language and managing the competitive procurement process
	i.	negotiating contract language, budgets, or amendments
	j.	resolving problems with service providers, including mediating agreements between providers and regional offices
	k.	coordinating with the Office of the Attorney General regarding contract language review, approval, and the integration of applicable state and federal laws
	l.	working with the provider community to set standards for data collection and submission
	m.	assisting with the development and implementation of the Department's broader resource management goals

ii. The agency's POS and PSA contracting functions are organizationally located in the Division of Contract Management (DCM). Other units in this reporting chain include the State Single Audit Unit, Rate-Setting and Revenue Enhancement. All of these the units (except Revenue Enhancement) are located on the same floor. The units directly involved with contracting and contract related responsibilities are as follows:

    a. Fiscal Services Division (FSD) consists of the following units, Budget Unit (BU), Accounting Unit (AU), Accounts Payable (AP) and Purchasing (PU).

        1) CFAS and FSD-BU review the state budget.

        2) FSD-BU is primarily responsible for funding notification to AU, DCM and Program Units (PRG).

        3) FSD-BU tracks and monitors contract funds and spending information.

        4) FSD-BU staff develops the spending plan in conjunction with Program Units (PRG). Copies are kept within the FSD-BU.

        5) AU works with PRG staff on expense reporting.

        6) FSD-AP is responsible for creation and approval/release of payment voucher.

    b. Program Units (PRG) perform all of the following programmatic activities:

        1) develops spending plan with FSD-BU

        2) responsible for all contract programmatic oversight and monitoring of contract activities

        3) review financial activities to establish and monitor contracts

        4) initiate new contract and contract amendments

iii. The following table illustrates which of these units listed above are associated with the various tasks associated with contract processing, execution, and monitoring.

Activity	FS-BU	PRG	DCM	FS-P	FS-AP
Development and Submission of Federal Grant Applications		X			
Approval of Federal Grant Applications	X	X			
State Agency Notification of Funding Availability	X				
Spending Plan Development and Monitoring (State/Federal)	X	X (dev)			
Spending Plan Approval	N/A	N/A			
Spending Plan Management	X				
Spending Plan Submission to OPM	X				
Allocation of Contract Funding	X				
Liaison with External DAS, OPM, and/or OAG Concerning Contract Approvals			X		
Liaison with Provider relating to Contract Fiscal and/or Programmatic Issues		X	X		
Entry/Update of Contract, Tracking, and Monitoring Information into Data System			X		
Provision of Internal RFP Guidance, Support, and Maintenance of Template Documents			X		
RFP Issuance, Evaluation, and Award		X	X		
Determination of Program Type and Scope		X			
Scope of Services Negotiation and Initial Development		X			
Scope of Services Review/Finalization		X	X		
Budget Negotiation and Initial Development		X			
Budget Review/Finalization		X	X		
Receipt and Review of Budget Revision Requests		X	X		
Review and Approve Budget Revision Requests		X	X		
Initiation of Request for Contract		X			
Review/Approval of Request for Contract	X	X	X		
Creation of OPM Request for Contract		X	X		
Review/Approval/Submission of OPM Request			X		
Assignment of Contract/RFP Number			X		
Assignment of Contract Staff			X		
Contract Assembly, Including Certifications, etc.			X		
Final Review of Assembled Contract		X	X		
Distribution and Facilitation of Contract for Provider Signature			X		
Distribution and Facilitation of Contract for Agency Signature			X		
Distribution and Facilitation of Contract for OAG Signature			X		
Notification to Providers, Programs, and Fiscal of Contract Execution			X		
CORE-CT Contract Creation and Maintenance			X		
CORE-CT Contract Approval			X		
CORE-CT Purchase Order Creation and Maintenance			X		
CORE-CT Purchase Order Approval			X		
CORE-CT Payment Voucher Creation/Release					X
Receipt Review and Approval of Programmatic Reports		X			
Program Site Monitoring		X	X		
Receipt and Review of Financial Reports		X	X		
Review and Approval of Financial Reports		X	X		
Receipt of Provider Payment Requests			X		
Process and Approve Payment Requests		X	X		
Determination of Refund Amounts			X		
Refund Collection and Processing			X		
Provision of Contract Data for Independent Auditors			X		
Receipt and Review of State and Federal Single Audits			X		
Approval of State and Federal Single Audit Findings or Resolution of Audit Findings			X		

2. Organizational Diagrams

The following Agency and Section Organizational Charts illustrate where the listed sections or units are within the Agency and the makeup/structure of the DCM.

Department of Children and Families
Grants & Contracts Management
Rate Setting

July 1, 2012

Joette Katz
Commissioner
42903

Libby Graham
Deputy Commissioner

Cindy Butterfield
Chf Of Fscl/Adm Svcs 2
95381

Judith Jordan
Fscl/Admin Mgr 2
43031

Brenda Heath
Secretary 2
42945

Susan Hamel
CFPrgmDir(Admin)
42849
Revenue Enhancement

Elizabeth D'Amico
C&FBHlthClinMgr
43789

Lincoln Gordon
FAS
42999

John Mulready
PrincipalCost
Analyst 43282

Christopher
Donelan
Principal Cost
Analyst 75077

David Felth
Assoc Accountant
43721

Maria Kastenhuber
Assoc. Accountant
42905

Steven Roe
Prgm-Supv (Admin/
Suprt/Prgm
Svc)(RC) 42991

Michael Pagano
Fscl/AdminOfficer
42908

Monique Provencher
Fscl/AdminOfficer
43142

Crystal Redding
Fscl/Admin Assist
86346

Pamela Floyd-
Cranford
Prgm Mgr(Admin/
Suprt/Prgm
Svc)(RC)43374

Peter Woznikaitis
Assoc. Acts
Examiner
43123

Sunildatt Yamraj
Fscl/AdminOfficer
43016

Joy Stewart
Accountant
43124

David Quadri
Fscl/AdminOfficer
43172

Carl Hardaway
Acts Examiner
43182

Divina Montebon
Accountant
43006

Amy Carrillo
Processing Tech
42943

Revenue Enhancement	Human Services Procurement/Program	Human Services/ Fiscal Analysis/Acctg	Contracts Management	Rate Setting	Fiscal Analysis/ LINK

8

A. **Structure and Roles**

1. **Contracts Unit Staff**

   DCM has a total of fifteen (15) full-time employees (FTE). DCM has a "fiscal side" and "program side." On the fiscal side, six (6) of the staff have primary responsibilities for POS and PSA fiscal contracting functions: four (4) Fiscal Administrative Officers, (FAO), one (1) Associate Accounts Examiner, and one (1) Accounts Examiner. In DCM the FAO, Associate Accounts Examiner and Accounts Examiner are referred to as "fiscal leads". The POS contracting duties are carried out by three (3) FAO, an Associate Accounts Examiner and an Accounts Examiner.

   i. The FAO, Associate Accounts Examiner, and Accounts Examiner are each assigned a caseload of POS providers. They are the primary fiscal lead to their assigned providers.

      a. The fiscal leads review the interim and year-end financial reports and discuss the reports with DCM program managers as needed.

         1) The fiscal leads review, approve and complete the budget adjustment requests if the request is under the thresholds allowed by contract and allowable under the Cost Standards.

         2) If the request is above the contract threshold then the fiscal lead will review the request with the program leads from the Central Office and regional offices who are responsible for the program models and service delivery oversight.

      b. One (1) FAO (of the four FAOs) is assigned to handle all PSAs.

   ii. State Single Audit is also part of DCM's responsibilities.

      a. The Associate Accounts Examiner and the Accounts Examiner are responsible for the review and reconciliation of State Single Audit Reports using contract financial reports and other information.

      b. The Associate Accounts Examiner and Accounts Examiner conduct the reviews by doing desk audits on all providers required to report under the State and Federal acts.

      c. Since the accounts examiners also serve as fiscal leads to providers, they do not perform the desk reviews and follow-up on any of their assigned contracted providers

   iii. DCM Programmatic functions are coordinated in DCM by managers with mental health and social work/services backgrounds. The "program side" of the DCM consists of two (2) Program Managers who report to a Clinical & Family Behavior Health Clinical Manager.

2. **Program Staff**

   i. Central Office Program Leads

      a. The Central Office managers/program leads have expertise in child welfare, behavioral health, juvenile justice, adolescent service, prevention support services and the development and evaluation of services.

      b. The Central Office managers total .5 FTEs for contract related duties.

   ii. Programmatic functions are primarily performed by staff located within the following units; Community Services and Consultation Group, the Prevention and

Child and Systems Development Group and staff located in the agency's regional offices. The program staff is essentially responsible for:

a. designing the service delivery model

b. developing RFP language, writing and submitting the RFP

c. managing the competitive procurement process

d. developing the contract scope of services

e. negotiating contract language, and/or contract amendments

f. developing the spending plan in conjunction with the Budget Unit staff

g. negotiate program budget and initial budget development

h. review and approve financial reports and budget revision request

i. coordinating with the Office of the Attorney General regarding contract language review, approval, and the integration of applicable state and federal laws; (DCM/PM)

j. assist with general oversight and management of contracts, (DCM/PM)

k. providing general oversight of POS program delivery

l. review and approve programmatic reports

m. resolving problems with service providers

n. identify training and consultation needs and request and monitor PSAs

o. assisting with the development and implementation of the Department's broader resource management goals

3. **Administrative and Fiscal Services**

i. The staff within the Fiscal Services Division who work on contracts are from the Budget Unit which consist of two (2) Associate Accountants and the Accounts Payable Unit which consist of three (3) Fiscal Administrative Officers.

ii. The Budget Unit is responsible for reviewing contracts to ensure the contractors' budgets are consistent with the agency's available funding.

iii. The Accounts Payable Unit is responsible for processing payments to contractors after DCM has generated the purchase order.

iv. This separation of duties is required to issue payments through the CORE-CT.

v. The responsibilities associated with managing POS contracts in CORE-CT are as follows:

a. DCM enters contract

b. DCM creates an online purchase order

c. DCM responsible for the contract amendment process (when necessary)

d. Accounts Payable Unit generates vouchers for payments

4. **Regional Offices**

i. DCF's six (6) regional offices have greater input into contract development, management and evaluation than they have had in the past.

ii. The regional offices have now assigned six (6) regional program directors, (Program Director Systems Development) who are responsible for contract development and management of the regional contracts.

      iii.   Regional office managers total .2 FTEs for contract related duties.

5.   **Other Involved Staff**

    i.   The Division of Quality and Planning report directly to the Commissioner. This division is headed by the Chief of Quality and Planning who oversees the Program Evaluation and Development Unit and the Research and Evaluation Units.

        a.   The Program Evaluation and Development Unit consist of a program director, a program manager, a children services consultant and a Sec 2. The responsibilities of this division as it relates to POS/PSA are to support the integration of Results Based Accountability into the contracting process.

        b.   The Research and Evaluation Unit consist of a program director, four (4) supervisors, and two (2) Children Services Consultants. This unit assists in contract development and monitoring by:

            1)   providing technical consultation for developing contract performance indicators

            2)   overseeing the web-based Program and Services Data Collection and Reporting System (PSDCRS) through which contracted providers submit program data

            3)   training DCM staff and Central Office managers in using the data available from PSDCRS

    ii.   The Office of Legal Affairs reports directly to the Commissioner. The legal division is headed by the Agency Legal Director. The responsibilities of this division as it relates to POS/PSA contracting are:

        a.   interpreting statutes and regulations regarding ethics and procurement

        b.   assessing proposed actions regarding contract or licensing compliance problems

        c.   advising the agency as to the appropriate course of action.

6.   **Summary of Internal efforts supporting contracting**

    i.   The following table illustrates the total FTEs expended on contracts related activities within DCF:

DCF Unit	Total FTEs
DCM	15 FTEs
FS/BU	2 FTEs
Central Office PRG	.5 FTEs
Regional Office Managers	.2 FTEs

    ii.   The following table illustrates the years of service of DCM employees broken out by length of service in the unit, in DCF and in the State listed by job title and occupational group:

Job Title	Occupational Group	DCM	CT-DCF	State Service
Fiscal Administrative Manager 2	Business Management	8 years	8 years	8 years
Fiscal Administrative Supervisor	Business Management	4 months	4 months	25 years
Associate Accountant	Accounting/Auditing	4 years	9 years	12 years
Associate Accountant Examiner	Accounting/Auditing	5 years	10	24 years
Accounts Examiner	Accounting/Auditing	5 years	19 years	29 years
Accountant	Accounting/Auditing	1 year	11 years	13 years

Job Title	Occupational Group	DCM	CT-DCF	State Service
Fiscal Administrative Officer	Business Management	8 years	8 years	13.5 years
Fiscal Administrative Officer	Business Management	7.5 years	7.5 years	18.5 years
Fiscal Administrative Officer	Business Management	4 years	13 years	13 years
Fiscal Administrative Officer	Business Management	17 years	17 years	22 years
Clinical /Family Behavior Health Clinical Manager	Social Services	1 year	8 years	15 years
Program Manager Administrative Support	Social Services	7 years	24 years	24 years
Program Manager Administrative Support	Social Services	6 years	24 years	24 years
Processing Technician	Clerical/Secretarial	5 years	11 years	11 years
Secretary 2	Clerical/Secretarial	4 years	4 years	10 years

7. **Office of Policy and Management**

   Gives contract approval

8. **Office of Attorney General**

   i. Reviews contract language for legal sufficiency

   ii. Works with DCM program manager, Fiscal Administrative Manager 2 and/or Fiscal Administrative Supervisor on scope issues when necessary

B. Professional Development and Guidance

1. Professional Development and Training, (formal and informal) is provided to staff as necessary (new staff, changes to policy, etc). There is no on-going training and formal training is rare.

   i. Most training, including contract specific training is informal.

   ii. Staff is usually taught by other staff members in the unit.

   iii. Instructions and updates are also provided during unit meetings which are held every 2 weeks to address status of projects, new policies, etc.

   iv. Instructions, procedural and process updates are also sent to staff via e-mail

   v. DCM provides a hardcopy binder of desk procedures and contract processes which is used for informal staff training, i.e. instructions/directions. An electronic version of the procedures and processes are also accessible to staff in the shared Contracts Management drive.

   a. The Desk Procedure and Contract Process binder provide guidelines for RFP and Scope writing

   b. Contract development and Contract Assembly

   c. CORE-CT directions

2. Screen shots of CORE are provided in the electronic desk procedure/process binder. DCM's fiscal staff are trained in the following CORE Modules:

   i. Purchasing (Contract)

   ii. Purchasing

   iii. Accounts Payable

   iv. Payment Inquiries

   v. EPM Query

   Proficiency varies by staff member, but all staff members are at least proficient in their assigned CORE roles.

3. DCM does not participate in cross-training with other units that impact contracts i.e. fiscal, program units, etc. DCM staff would like to have more face-to-face inter-unit meetings where training opportunities can also occur. All units agree that more inter-unit training opportunities would be beneficial. Dialogue is occurring and there is no resistance among the units. Time constraints are a major barrier as there is limited time for training.

4. DCM provides and offer guidance to inter-agency units via various methods.

   i. DCM has been looking at a pilot to restructure job duties using a 'team' approach. Barrier to this is the assignment of Accounts Payable staff by regions, versus assignment of DCM staff by workload/contract.

   ii. DCM has developed RFP and scope of services writing and guidelines and other job aids and placed them on line via the DCF website for self- instruction for central and regional offices.

   iii. Self–Training instructions on how to use the in the DCM Contracts Library is also on the DCF website. It instructs regional staff how to access the list of providers, budgets, budget narratives and scope of services for each service type.

   iv. FAM2 has provided ethics training to the legal director and Central Office program teams.

5. DCM staff does not conduct formalized training for providers however, DCM staff does provide assistance and guidance to providers as follows:

   i. FAM2 has assisted providers with RFPs, grant writing and budget and cost standards.

   ii. Fiscal leads assist providers via the phone regarding budget revisions and reports.

   iii. DCM program managers assist providers with clarity of contracts and contract language through meetings with program leads and regional staff.

6. There is a fairly good understanding of the roles of other inter-agency units. Although there is not typically a lot of interaction between units, staff members have a good understanding of each other's roles and functions.

7. Overall, DCM staff reported there isn't enough time allotted for training and time constraints are a huge barrier. The agency operates an on-site training academy and therefore resources could be available for DCM staff training. Dedicated time for training is essential and more equipment/tools would be helpful. Staff would also like to see more face-to-face inter-unit training/meetings. All units agree that more inter-unit training opportunities would be beneficial. Dialogue regarding training is occurring and there is no resistance among the units.

IV. Contracting Process

A. Service Need Determination

The DCM does not participate in the service need determination process. The various Central Office Program Units and Regional Office Program Units determine the support services needed to assist children and families within the agency.

1. Program leads in conjunction with their directors are primarily responsible for service need determination.

2. Each program unit determines service need based on the particular needs of their target population and/or the needs of the geographic region they serve.

3.   Service need determination is based on "needs assessment reporting" collected from various sources.

4.   Client level data collected from the Department's Programs and Services Data Collection and Reporting System (PSDCRS) is one of the reporting tools used to assess need determination.

5.   For the Community Services and Consultation Group Unit the data collected from program reports based on outcome measurements tools; the Gain and client progress at discharge, are used to assess further needs to improve programs or contract for new services.

6.   Service determination is also based on the results of the failure or successes of present programs/services currently being used to help children and families.

7.   DCF has 146 consolidated contracts to meet the needs of children and families.

8.   DCF has developed 97 templated service types as a result of needs assessments and service determination.

B. Funding Allotments

1.   The DCM does not participate in the funding determination or funding allocation process.

2.   The Chief of Fiscal Administrative Services and the Budget Unit, (BU) staff within the Fiscal Services Division are notified of new funding availability via the governor's state budget appropriations for the fiscal year. Development of the next year's spending plan is not contingent on approval of a state budget. It is assumed that funding will be on-going unless the proposed state budget says differently.

    i.   The Budget Unit reviews the state budget.

    ii.   After the budget is reviewed, BU e-mails notification to the Program Units.

    iii.   The Budget Unit along with Program Unit develops a spending plan.

    iv.   Funding allocation is based on the existing programs and services needed and funding availability.

    v.   Spending Plans are maintained in collaboration with Program Units.

3.   The Budget Unit notifies DCM-FAS of the funding allotments after an RFP process or after Fiscal-Budget Unit and Program Unit have determined funding availability and determined allocation; usually five (5) months prior to the contract start date.

    i.   Program Unit request funding for a contract via DCF Contract Request Form, (CRF) and e-mails the form to the DCM-FAS.

    ii.   FAS e-mails DCM Processing Technician the Contract Request Form.

    iii.   Processing Tech prints the Contract Request Form and sends to Fiscal Services - Budget Unit for signoff and verification of funding and appropriate coding (SID).

    iv.   Fiscal Services - Budget sign off on Contract Request Form and returns it back to Processing Tech.

    v.   Processing Tech files hardcopy in master contract folder and forwards a copy of the Contract Request Form to the DCM Fiscal Lead to initiate the contract development process.

    vi.   The Budget Unit notifies the Fiscal Services - Accounting Unit of funding allocation and contract request.

4.   The agency spending plan does not require approval from any particular unit; however the Budget Unit monitors the spending plans.

i.   Copies of the State spending plans are kept on an access database in the Budget Unit.

        ii.   State and Federal spending plans are kept separately.

        iii.   Federal spending plans are maintain in Fiscal Services Division in the Business Office and is maintained and monitored by the Principle Cost Analyst.

        iv.   Federal spending plans are kept in an excel database.

   5.   DCM submits the spending plan to OPM per and as request by OPM which is rare.

   6.   DCM does not require OPM approval for the spending plan.

   7.   The Associate Accountant in the DCM unit handles all of the bond funds.

   8.   There are 29 SIDS for POS contract

   9.   There are13 Federal/other SIDS

   10. DCM staff does not have a role in funding determination.

C. **Contract Approval and Initiation**

   1.   **Internal**

        i.   The contract development process begins after the Request for Contract Form and funding verification is signed by Fiscal Budget Unit-BU and returned to DCM Unit.

        ii.   The DCM/Program Manager must approve the scope of services for the contracting process to proceed.

        iii.   Common forms in use are listed in the following table:

Form	Reason
Contract Request Form	Required by OPM
OPM Request Form	Required by OPM
Certificate of Authority	Required by OPM
Acceptance and Approvals	Required by OPM
Gift and Campaign Affidavit	Required by OPM
Non-discrimination Affidavit	Required by OPM

        Additionally, the DCF Administrative Contract Provisions Template is included to detail provider responsibilities not included in the state's template such as criminal background and protective services checks for staff, budget revision process, federal funds requirements, etc.

   2.   **External**

        DCM requires approval by OPM for the contract request and the OAG must approve the contract scope-of-services (SOS) before DCM can execute a contract.

   3.   **Approval Logistics**

        i.   FAM2 sends Request Form to OPM and receive approval within 3 weeks.

        ii.   DCM/Program Manager reviews and approves SOS for Fiscal lead.

        iii.   SOS is sent to OAG, approved and returned within 10 days.

D. **Human Service Budget Development**

   1.   **Initial Budget**

        CAFS reviews the Governors' approved state budget and inform FSD-BU, however development of next year's spending plan is not contingent on approval of a state

budget. It is understood that funding will be on-going unless the proposed state budget is says differently. There is very little negotiation of funding amounts.

i. Funding amounts are developed through the RFP process.

ii. Providers are informed as to the dollars available, and cannot exceed that amount.

iii. DCM-FAO e-mails the budget template to providers for completion.

iv. Provider e-mails completed budget back to DCM-FAO for review/approval.

v. Once the DCM Fiscal staff, (FAO/FAS) has approved the budget, it is sent to the Program staff for review/approval.

vi. The process for budget development takes 5 weeks

vii. The initial process is the same for new contracts/renewals and amendments.

    a. FSD-BU staff informs Program Units (PRG) of new funding availability.

    b. FSD-BU staff develops the spending plan/budget in conjunction with PRG.

    c. Plans are maintained in collaboration with PRG.

    d. FSD-BU tracks and monitors contract funds and spending information.

    e. Copies of the plan/budget are kept within FSD-BU in Access Database.

    f. PRG determines funding allocation which is based on the existing programs and services needed and funding availability.

    g. AU works with PRG on expense reporting.

    h. FSD-BU is primarily responsible for funding notification to PRG, AU, and DCM.

    i. Notification of funding availability is sent to DCM after an RFP is awarded or after FSD-BU and PRG have determined funding availability and determined funding allocation. DCM is usually notified of funding availability/needed for a contract 5 months in advance. The notification process is as follows:

        1) Contract Request Form/CRF (a DCF form) is completed by Programs and e-mailed to DCM Processing Technician.

        2) Processing Tech prints and sends CRF to Fiscal Budget for sign off and verification of funding and appropriate coding (SID).

        3) Fiscal Budget returns CRF to Processing Tech who files hardcopy in master contract folder and forwards a copy to the DCM Fiscal Lead for contract development.

    j. The funding verification process of the contracting process begins after the Contract Request Form is signed by FSD-BU and returned to DCM Unit

    k. There is no official budget approval process, however BU ensure that funding is available and the coding is accurate; PRG ensure how funding is being used.

    l. DCM has no role in funding determination or allocation.

    m. DCM submits spending plan/budget to OPM only if requested by OPM.

    n. The agency utilizes bond funds for provider capital expenditure which is handled by the DCM Associate Accountant.

        viii.   The following are required for contract renewals:

            a.   In January of each year, DCM-FAS generate a list of expiring contracts and e-mails that list to PRM Units and Regional Directors.

            b.   The list will be reviewed with determinations and response and must be submitted back to DCM-FAS by the end of January.

            c.   FAS provide final renewal decisions to the DCM- Processing Tech and Fiscal Lead.

            d.   Processing Tech generate a renewal letter to provider along with budget package for completion and scope of services, (SOS).

            e.   Fiscal Lead completes OPM request for renewal (simultaneous to provider completing budget package).

        ix.   The following are required for contract amendments:

            a.   Request for Contract Amendment (DCF form) is completed by Programs and e-mailed to DCM-Processing Technician.

            b.   Processing Tech removes the Affirmative Action Plan from the packet and files it.

            c.   Processing Tech prints and sends Request for Contract Amendment form to Fiscal Budget for sign off and verification of funding and appropriate coding (SID).

            d.   Fiscal Budget returns Request for Contract Amendment form to Processing Tech who files hardcopy in master contract folder and forwards a copy of the Request for Contract Amendment to the DCM Fiscal Lead for contract development.

            e.   Fiscal lead package the contract amendment.

    2.   **Budget Revisions**

        i.   Budget revisions are processed as follows:

            a.   The provider e-mails the Budget Revision Request directly to Fiscal Lead.

            b.   Fiscal lead reviews and approve budget revision request if it is within the policy guidelines.

            c.   If the budget request exceeds policy guidelines the fiscal lead will consult with the program lead for resolution.

        ii.   DCM receives on average 2 budget revisions per year per provider.

        iii.   Budgets are for the life of the contract, usually 3 years.

        iv.   Contracts are issued with the first year budget only.

        v.   The agency address contract budgets for multi-year and/or multi-program contracts by adding new budget pages into the contract.

E. Scope of Services Development

    1.   **Organizational Responsibilities and Process**

        i.   Most scopes are based off of RFP language and require very little negotiation.

        ii.   If a new scope is being developed, experienced Program Leads will draft the scope and send it via e-mail to DCM-Program Manager for word-smithing.

        iii.   In many cases the Program Lead in conjunction with DCM-Program Manager will develop the Scope of Services (SOS)

iv. Scopes of Services templates are rarely revised. However, scopes are re-design and amended as needed by the Program Lead and DCM-Program Manager

v. Scope of Services are revised/amended when there is a need to modify services, revise staffing models, change target population or change service models, ect.

vi. As contracts come up for renewal, Program staff and DCM-Program staff review the templated scope for updates/revisions.

vii. If changes are necessary, the units collaboratively convene all the providers of that service type to negotiate the changes. This would then necessitate amendments to all the contracts that did not need renewal.

viii. The DCM-Program Manager must approve the scope of services before a contract can be executed.

ix. This entire process generally takes 3 weeks to 4 weeks

2. Consolidated Contracts

DCF has 146 consolidated contracts

3. Standard Contract Templates

The agency uses program language templates and presently has 97 active template service types that are included on a 3 year waiver MOA between DCF and the OAG.

F. Contract Assembly

1. Overview

DCF does not have software to aid in contract assembly. The contract is assembled manually by the DCM fiscal lead.

i. Fiscal lead receives approved Contract Request Form and begins the contract assembly process.

ii. Fiscal lead e-mails the contractor requesting the budget and budget narrative. This is sent via an excel/word document. (The contractor can also access the budget forms from the DCF-DCM website).

iii. Fiscal lead completes the OPM request form and submits the form to the FAS to review.

iv. FAS forward the OPM request form to the FAM2 for submittal to OPM.

v. FAM2 e-mails FAS once OPM request is approved.

vi. Fiscal lead reviews budget narrative for discrepancies. If there are discrepancies the fiscal lead will talk to program lead for explanation and approval.

vii. Once budget is approved, fiscal lead contact DCM-Program Manager for scope of services and scope approval. (Scope of services is kept in a shared DCM drive marked SOSR/SOSN).

viii. Fiscal lead puts the POS template together (done manually):

a. collect and package all contracting forms including contract face sheet, funding, SIDs, scope of services and DCF administrative requests

b. staple contract package together with letter and instructions to the contractor

c. manually assigns a number to the contract and numbers the contract pages

d. mails hardcopy contract to contractor for signature

> **e.** inputs contract data in Excel logs; Payment log, Amendment log, and Renewal log

ix. Contractor is given 2 weeks to return contract and fiscal lead will follow-up with the contractor via a phone call or e-mail if contract is not returned within the time frame.

x. Fiscal lead will review contract to ensure signatures, no markups, certified resolution form.

xi. Once budget info and scope of services is approved the fiscal lead signs off on face sheet and forward contract to DCM-Processing Tech.

xii. For new contracts and renewals:

> **a.** If this is a contract amendment the fiscal lead checks contract compliance packet checklist.
>
> **b.** Fiscal leads gather all of the required forms and original and copies and gives them to the DCM-Processing Tech.
>
> **c.** DCM-Processing Tech removes Affirmative Action Plan from amended contract.

xiii. DCM-Processing Tech logs contract in.

2. Contract Package Components

i. The Part 1 Contract Components are:

ii. scope of services

iii. budget narrative

i. Part D-Agency Specific Provisions.

These are required by statute.

3. Attachment Details

Required forms for inclusion in the contract are:

i. OPM Affidavits

ii. Board of Directors

iii. Affirmative Action

iv. Non-Discrimination Certification

v. List of Subcontracts

vi. Insurance Certification

vii. Rent Lease

viii. Cost Allocation Form

These forms and documents are required by statue and OPM policy.

G. Contract Signatures and Execution

1. Internal – Agency

i. DCM Fiscal Lead assembles contract hardcopy, manually with hand-numbered pages and mails to the provider with instructions for completion and return.

ii. Provider returns entire contract to DCM Fiscal Lead via mail.

iii. DCM Fiscal Lead reviews contract documents to ensure accuracy, and forwards hardcopy to DCM Processing Tech for logging (for new and renewal contracts only; amendments skip this step).

iv. DCM Processing Tech forwards to DCM Secretary to prepare contract for internal signature.

v. DCM Secretary logs receipt, attaches routing slip and forwards contract to Programs (Central Office Administrator) for signature.

vi. Programs (COA) reviews, signs routing slip and notifies DCM Secretary. Dependent on the Program Unit, the COA may require staff to review and sign prior to the COA's signature.

vii. DCM Secretary picks up the contract and brings it to Budget unit for signature.

viii. Budget unit reviews, signs routing slip and notifies DCM Secretary.

ix. DCM Secretary picks up the contract and brings it to DCM Manager (FAM2) for signature on routing slip.

x. DCM Manager reviews, signs routing slip and notifies DCM Secretary.

xi. DCM Secretary picks up the contract and brings it to Chief Fiscal Officer for signature.

xii. Chief Fiscal Officer reviews, signs contract and notifies DCM Secretary.

xiii. DCM Secretary picks up the fully executed contract. If it requires OAG signature, it is sent to DCM Program staff for preparation for OAG review. Otherwise, it is fully executed at this point.

xiv. DCM Secretary copies the fully executed contract and mails it back hardcopy to the contractor along with a notice of execution letter.

xv. DCM Secretary sends an e-mail to the DCM Fiscal Lead, DCM Program staff, DCM Manager, DCM FAS, and Programs units' supervisor/COA that contract is executed.

xvi. DCM Secretary also copies the contract budget and forwards it to the DCM FAS, and copies the contract face sheet and forwards it to the DCM FAS and the DCM Processing Tech.

xvii. DCM Secretary files the fully executed contract in the master contract file (hardcopy only).

xviii. DCM Processing Tech then uploads portions of the contract to the DCM Contracts Library, available for access by all DCF staff. DCM library includes contract contact information form (sent to Processing Tech by DCM Secretary), contract scope of services, (sent to Processing Tech from DCM Program staff), and the contract budget and budget narrative, (sent to Processing Tech from DCM Fiscal Lead).

xix. Once uploaded, DCM Program staff review the information to make certain that the upload went through correctly.

2. External – Office of Attorney General

i. If necessary contract is sent back to AAG.

ii. Contract is usually returned from AAG within 5 days

3. Contract Execution Timelines and Timeliness

i. The signature through execution process takes about 1 month as follows:.

a. From contractor 2 weeks

b. Internal signatures 1-2 weeks

ii. The following table illustrates contract signature and execution process and timelines

Task	Time (days)	Responsible Person
Fiscal Lead prepares contract packet (SOS, budget info, instructions) and mails to Contractor	1	Fiscal Lead
Contractor sign and return contract	10	Fiscal Lead /FAM2
Contract signed by DCF internal managers (Program Unit Division head and CFAS)	3	Fiscal Lead
Contract sent to and signed by AAG, if necessary	5	AAG
DCF staff notified contract finalized	2	Sec2
Contract copy sent to provider	1	Sec2
Final SOS and Budget Info Uploaded to Electronic Contract Library	3	Processing Technician/DCM Program Manager
TOTAL	25	

iii. The table below describes the contracting process from the pre-approval phase to the execution of the contract.

Week#	Task	Time (days)	Responsible Person
1	Program Lead submits Contract Request Form for New/Amendment	1	Program Lead
1	Contract Request Form sent to Fiscal Analysis for spending plan verification	1	FAS/Fiscal Analysis
1	Draft/Revise the Scope of Services (SOS)	5	Program Lead/ DCM Program Manager
2	SOS is sent to, approved and returned by AAG	10	DCM Program Manager
4	DCM notifies Fiscal Lead of ready SOS	1	DCM Program Manager
4	Prepare Request for POS/PSA input on data on OPM website	1	Fiscal Lead/FAS
5	FAM2 sends Request form to OPM and receives approval	5	FAM2
6	Contractor notified to update consolidated budget and narratives	1	Fiscal Lead
6	Contractor notified to update program specific information on SOS	1	Program Lead
7	Contractor prepares budget and returns it to Fiscal Lead	7	Contractor
7	Contractor adds program specific information to the SOS and returns the scope to Program Manager	7	Contractor/DCM Program Manager
8	Program manager verifies program specific info with Program Lead	2	DCM Program Manager
8	Program manager approves SOS and copy SOS onto shared drive for fiscal lead to retrieve	1	DCM Program Manager
9	Fiscal Lead prepares contract packet (SOS, budget info, instructions) and mails to Contractor	1	Fiscal Lead
10	Contractor sign and return contract	10	Fiscal Lead /FAM2
11	Contract signed by DCF internal managers (Division head and CFAS)	3	Fiscal Lead
11	Contract sent to and signed by AAG, if necessary	5	AAG

Week#	Task	Time (days)	Responsible Person
12	DCF staff notified contract finalized	2	Sec2
12	Contract copy sent to provider	1	Sec2
13	Final SOS and Budget Info Uploaded to Electronic Contract Library	3	Processing Technician/DCM Program Manager
	TOTAL	67	

H. Contract Service Implementation

Program staff at Central Office (Central Office Administrators - COA) and within the regional offices implements new programs.

I. Contract Payment Processing

1. Overview

i. Payment is made quarterly, prospectively, contingent on:

a. 1st Quarter: Contract execution, or receipt of OPM allotment

b. 2nd Quarter: Receipt of Final Expenditure Report from prior fiscal year

c. 3rd Quarter: Receipt of OPM allotment

d. Final Payment: Receipt of 8 month Expenditure Report from current fiscal year

ii. DCM initiates all payments for all contracts and renewal.

iii. Payment is triggered by receipt of OPM quarterly allotment and receipt of expenditure reports where required. At that time, the DCM FAS authorizes payments in the DCF Payment Log, the DCM Fiscal Lead processes CORE change orders to add money to the purchase order, and forwards payment package to Fiscal Accounts Payable once PO is dispatched.

2. Payment Process

i. Upon full execution of contract, DCM FAS enters contract amounts into DCM Payment Log and notifies DCM Fiscal Lead that Payment Log is updated.

ii. A DCM fiscal lead does CORE contract creation and maintenance and Purchase Order creation, approval and maintenance.

a. DCM Fiscal Lead creates CORE contract and e-mails DCM FAS to approve in CORE.

b. DCM Fiscal Lead creates CORE Purchase Order and e-mails DCM FAS to approve in CORE.

c. DCM Fiscal Lead checks CORE to ensure that Purchase Order is valid and dispatched, prints Purchase Order, prints copy of Payment Log and forwards hardcopies to Fiscal Accounts Payable.

iii. A copy of the dispatched Purchase Order and a copy of the DCM Payment Log are documentation forms in the payment packet.

iv. DCM FAS approves CORE contract and e-mails DCM Fiscal Lead that it is approved.

v. Fiscal Accounts Payable creates and approves payment voucher.

vi. The DCM FAS has to authorize the payment and this is the only internal authorization needed.

vii. Once voucher is dispatched, AP returns hardcopies payment package to DCM for filing.

3. Miscellaneous Process Information

    i. It usually take 3 -4 days for payment completion

    ii. Ninety-eight percent, (98%) of the PNPs are established as electronic fund transfers as opposed to paper payments

    iii. Occasionally DCM will receive calls regarding payment inquiries from the provider; as to how to apply a received payment or requesting information on when a payment will be released.

V. Contract Monitoring and Evaluation

A. Administrative and Financial Monitoring

1. The program units in Central Office and in the regional offices are primarily responsible for contract compliance. The agency doesn't have a system in place that formally monitor for contract compliance throughout all of the program units. Contract monitoring and evaluation varies based on program leads.

2. Financial Reports are submitted electronically via e-mail to the DCM Fiscal Lead. (Note: DCF does not require provider signature on the reports).

    i. The DCM Fiscal Lead reviews and approves the financial reports.

    ii. Financial reports are reviewed and approved within 3 days.

    iii. The following financial reports are required: 4 Month Expenditure, 8 Month Expenditure, 12 Month Expenditure, State Single Audit and the Annual Report.

    iv. The deadlines for contractually required reports are as follows: 3/31, 9/30 and 6 months after PNP EOY.

    v. The reports are printed and filed in the master contract file. They are also saved on DCM's hard drive. The provider is not notified that they have been accepted.

3. There is contractual language specifying the agency's options when reports are late/incorrect that is contained in Part II of the standard POS template

    i. When reports are late the DCM Fiscal Lead sends an e-mail to the provider that reports are outstanding.

    ii. Two (2) DCF payments are dependent on receipt of financial reports, which discourages late submission of the reports

4. To correct inaccurate reports the DCM Fiscal Lead generates an e-mail to the provider explaining the errors and requesting revision and resubmission of the reports.

5. DCM Fiscal Leads check to ensure that providers are submitting data to regional staff.

6. Cost-settlement issues are reconciled with receipt of the final expenditure report. The DCM Fiscal Lead reviews the reports to determine accuracy and adherence to approved budget. If it is determined that a budget revision is owed, the provider is required to submit one or the expenditures are disallowed. If the final expenditure report shows unexpended funds, the DCM Fiscal Lead sends a hard copy letter to the provider notifying them of funding owed from prior year expenses. DCM does not require the provider to refund the unexpended money; reductions to current year payments are processed in the 3rd and 4th quarters.

7. State Single Audit is also part of the DCM's responsibilities. The Associate Accounts Examiner and the Accounts Examiner are responsible for the review and reconciliation of State Single Audit Reports using contract financial reports and information. The Associate Accounts Examiner and Accounts Examiner conduct the reviews by doing desk audits on all providers required to report under the State and Federal Acts. Since

the accounts examiners also serve as fiscal leads to providers, they do not perform the desk reviews and follow-up on any of their assigned contracted providers. DCM Auditors maintain an Access Database that details audits required from previous years, but they have no method for determining audits owed for current years. They depend solely on DCM Fiscal Leads to ensure that providers submit their audits.

i. The DCM Manager, (FAM2) receives audits and forwards to the DCM Auditors (Associate Accounts Examiner and Accounts Examiner).

ii. DCM Auditor reviews the audits and compares them against provider expenditure reports, CORE payment records and DCM payment logs. DCM Auditor also reviews audit findings, internal controls, liability ratios and A&G costs. Once the audit has been reconciled it is logged in DCM's Access database and filed hardcopy.

iii. If it is determined that money is owed beyond what was recovered based on submission of final expenditure reports, the DCM Auditor requests that the funding be returned via hardcopy letter. The provider is given the option of returning the funds or having their current year payments be reduced.

iv. When discrepancies are identified, the DCM Auditor sends a hardcopy letter to the provider detailing the discrepancies and requesting correction and return within 2 weeks. If internal control issues are identified in programs funded by DCF, the DCM Auditor requests a Corrective Action Plan and maintains it on file until the next audit.

B. Programmatic Monitoring

Per the contract, programmatic reports are specific to service type, applicable level of care and standard data set as specified by the Department. Data collection varies by service type, but providers may be required to submit service data either manually or through DCF databases for program leads to review. The contract monitoring and evaluation is primarily an administrative task and is done mostly via forms and reports.

1. Some program leads in the Clinical and Community Consultation and Support Unit monitor contract compliance (both contract and programmatic) via quarterly meetings. Program leads in the Clinical and Community Consultation and Support Unit also use the GAIN clinical instrument and the number of client intakes and discharges for contract compliance. Some program units (mainly the Clinical and Community Consultation and Support Unit) have access to Quality Assurance (QA) staff via a POS contract. The QA staff conducts program site visits and site reports for this unit.

2. Contract compliance is also done via the Department's data collection system, Programs Services Data Collection and Reporting System (PSDCRS). All of the program units utilize the PSDCRS.

3. The DCM Program Managers periodically checks data for programs that report to the DCF electronic databases.

4. Per the contract, regular reports are to be submitted quarterly unless the Department requests otherwise.

5. The deadlines vary based on service type and can be monthly, quarterly, and annually. The Contract deems "regular frequency" as quarterly. The program leads makes the decision on deadlines for submissions.

i. For the adolescent unit they have required reports by the 15th of the month.

ii. Other units have requested reports on the 1st of the month and the end of the month.

6. What is done with program reports also varies based on the program leads. Some program leads in the Clinical and Community Consultation and Support Unit maintain hardcopies of these reports in binders at their desk as well as keep electronic copies on their individual S-drives. Some of the program reports are kept on the DCF Website.

7. Late reports are handled different based on the program unit. For example, when reports are late some program leads from the Clinical and Community Consultation and Support Unit, contact the provider via a phone call or e-mail to request the reports. If the problems persists the program lead requests a meeting and will go up the chain to the executive director of the program. Again this procedure may vary based on program leads even within the same unit.

8. Inaccurate reports submitted by the provider are also handled different based on the program unit/program lead. For example, when a provider submit inaccurate reports a program lead for the Clinical and Community Consultation and Support Unit contacts the provider via a phone or e-mail to clarify the requested data to be certain the provider fully understand what is being requested and then discuss the data to understand why information may have been relayed incorrectly. The program lead may provide technical assistance, (as needed) to correct the data.

9. The Department has language to address contract reports. Per the contract the language, failure to submit "required data" may result in suspension of payment.

10. Current capacity and how often services are utilized are used to determine the need for the service and are essential regarding program reports.

C. Performance Outcomes and Measures

1. DCF is required to have and has established outcomes measures for all DCF contracts. Outcome reports are sent to, and reviewed by, program leads.

    i. Review and approval of outcome reports vary depending on the program lead.

    ii. The deadlines for contractually required Performance Outcome Measure Reports are usually submitted annually.

    iii. The Central Office program leads and regional office program leads are primarily responsible for ensuring that the providers adhere to the outcome measures and all reports are sent to the program staff.

    iv. Adherence to the outcome measures varies by service type. Some providers submit required reports which will include data that is used to determine outcome measures via the Department's data collection system (PSDCRS). Reports are specific to the service type and submitted upon the request of the Central Office program leads and regional office program leads. These reports can be submitted monthly, quarterly or annually. Also some service types work in conjunction with the DCF Quality Improvement/Quality Assurance Unit which also gathers information.

    v. If the provider does not meet the outcome measures the program lead contacts the provider to determine why outcomes were not met. In some cases, Corrective Action Plans are required, and in extreme cases termination of the contract and/or re-procurement of the service if the provider cannot meet the agency's requirements. This is done only after DCF staff (PRG Unit /DCM Unit) have communicated and met with the provider to try to resolve the issue. Regional staff is sometimes involved as needed for input regarding their satisfaction with services by the provider.

    vi. What is done with the reports once they are finalized varies by program unit. Some program leads maintain the reports in hardcopy form in binders that they

keep at their desk. Some of the data is saved on the DCF Website and some on program staff's shared agency computer drives.

2. The agency uses Results Based Accountability. DCF has established a designated RBA Trainer at the DCF Training Academy who trains DCF staff on RBA. The entire DCF/DCM staff has not been trained yet.

VI. Agency Strengths/Weakness/Recommendations

A. Strengths:

1. DCM is a unit dedicated to contract processing and is neither tasked with unrelated activities and duties nor subject to external unrelated priorities.

2. Contract development, execution, and financial oversight and payment actives are solely the responsibility of the DCM staff.

3. DCM is structured to include a complement of staff with training and experience in program functions.

4. Current staffing structure and numbers supports reorganization of contracting duties to address agency weaknesses.

5. The highly developed knowledge, experience, longevity and cohesiveness of staff in DCM are a significant contributing factor in the Department's ability to meet its benchmarks and state contracting requirements.

6. DCM maintains formal and informal training tools for DCM staff to utilize and provides targeted training to internal staff.

7. Payment processes are streamlined and initiated electronically between DCM and Fiscal Services.

8. Electronic submissions of programmatic and financial reports are accepted. DCM does not require hard-copy signatures from providers.

9. DCM staff maintains an electronic library of active contracts available to all DCF staff.

10. DCM has maximized utilization of consolidated contracts.

11. DCM has maximized its use of templated scopes of service.

B. Weaknesses:

1. Contract duties are segregated by employee. Staff is not crossed-trained in contracting processes, and this prevents assignment flexibility and workflow continuity.

2. DCM staff do not receive formal training on contract development, administration and oversight; legal sufficiency of contracts or oversight of non-profit entity budgets.

3. No formal training is provided to providers but program staff routinely meets with providers.

4. Contract documents are sent to providers in hardcopy form.

5. Separate logs are maintained for each phase of the contracting process and DCM staff passes hardcopy documents back and forth solely to track the status of the contracts.

6. DCM does not have automated document creation software to assist with contract preparation and contracts are assembled manually.

7. Contract internal signature process relies heavily on hand carried hardcopy routing slip.

8. Providers are required to complete (subsequently) a new budget with each submission of a budget revision.

9. Some contractual payments are tied to receipt of providers' financial reports.

10. No formalized consistent programmatic monitoring exists.

11. No standard system in place for retention of programmatic reports.

C. Recommendations:

1. Current DCM staffing classifications and FTE's would support the restructure of the unit to include additional contracting duties related to development of scopes of services, and comprehensive programmatic and administrative contract monitoring.

2. Provide cross - -training and expand staff's knowledge in areas outside of their job functions.

3. Institute formal provider training for the contracting process.

4. Implementation of required training for DCM staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).

5. Implement automated software contracting system to assist with contract execution process to eliminate manual contracting procedural process.

6. Implementation of a contract data management system.

7. Begin delivery of contracts to providers in electronic format and combine all logs into a single tool to make all contract status information readily available.

8. Explore electronic approvals/signature for the contract signature process to eliminate hardcopy routing slip.

9. Implement programmatic contract monitoring to include regular site visits across all programs