

Department of Children and Families Responses to POS Contracting Report and Recommendations

A. Status of System-wide Recommendations Being Implemented by OPM

<u>Agency Specific Recommendations</u>	<u>Status</u>
<p>Uniform Chart of Accounts/Standardized Budget Reports: OPM shall coordinate and oversee development of a standardized and more streamlined 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.</p>	<p>Contract and fiscal staff from agencies and OPM Office of Finance developing draft UCOA, budget and reporting format for review and discussion with agencies and private provider representatives, with a targeted final product completion date by the end of the calendar year and an implementation date for contracts commencing 7/1/14. Awaiting further direction from committee</p>
<p>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.</p>	<p>OPM working with DCF to develop and implement pilot POS enterprise contract management system for future use by all POS agencies. System being pursued already under contract with OPM's Criminal Justice Division. Next step is request funding from IT Infrastructure Bond program to develop project plan and common business requirements. DCF has agreed to pay the cost up front for the initial consultation from the vendor to assist the agency in preparing for the implementation. Discussion of the onsite assessment began in July.</p>
<p>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. The process improvements recommended for individual agencies in this report and Lean process improvement techniques, as appropriate, should be implemented to ensure timeliness.</p>	<p>For agencies with low percentages (well below 95%), OPM will monitor business process improvements and encourage use of Lean process where appropriate. OPM will also establish standards regarding the timeframes to be followed by agencies when entering new or extended contracts. Targeted date for standards is summer 2013. Division manager has been certified as a Lean leader and will coordinate a Lean event that includes the contract execution process by September 15</p>

NOTE: OPM responsible for implementation of some other system-wide recommendations, including job/duties classification matters, statewide training issues, review of OPM approval process and working with Attorney General's Office on certain issues. Progress on these items will be included in future communications.

For Sections B, C and D below, certain recommendations have been **bolded** by OPM to highlight OPM's views about which recommendations that should receive the highest initial focus or priority.

B. Request for Agency Plans to address Agency Specific Recommendations Please fill-in boxes under "Agency Plan, Priority and Timeframe"

<i>Department of Children and Families</i>	
Agency Weaknesses/Issues & Related Recommendations (Strengths listed in POS report and many noted below)	
Weaknesses/Issues to Address	
<ol style="list-style-type: none"> 1. Contract duties are segregated by employee. Staff is not cross-trained in contracting processes, and this prevents assignment flexibility and workflow continuity. (Recommendation 2) 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. (Recommendations 2 & 3) 3. No formal training is provided to providers but program staff routinely meets with providers. (Recommendation 2) 4. Contract documents are sent to providers in hardcopy. (Recommendations 6 & 7) 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. (Rec. 6) 6. DCM does not have automated document creation software to assist with contract preparation and contracts are assembled manually. (System Wide Recommendation 7; Enterprise Contract Management system) 7. Contract internal signature process relies heavily on hand carried hardcopy routing slip. (Recommendations 4 and 6) 8. Providers are required to complete (subsequently) a new budget with each submission of a budget revision. (Recommendation 9) 9. Some contractual payments are tied to receipt of providers' financial reports; however, agency believes connection between receipt of report and payment helps compliance with reporting requirements. (System Wide Recommendation 2) 10. No formalized consistent programmatic monitoring exists. (Recommendation 8) 11. No standard system in place for retention of programmatic reports; however, DCF has initiated expansion of Program and Services Data Collection and Reporting System (PSDCRS) to correct this issue. (Recommendation 5) 	
Agency Specific Recommendations	Agency Plan, Priority and Timeframe
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.	Agency is currently developing specific role definitions for programmatic staff regarding contract development and monitoring and evaluation. Target completion date September 1.
2. Provide cross - training and expand staff's knowledge in areas outside of their job functions. Institute formal provider training for the contracting process.	Contract training planning group has been convened and is identifying training needs and resources. Target completion date for plan is September 1.
3. 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).	Have approached POS contracting agencies to collaborate on identifying training needs and resources specific to statutory and regulatory processes.. Target completion date for training plan is December 1; implementation could begin in January 2014
4. Implement automated software contracting system to assist with contract execution process to eliminate manual contracting process.	OPM note: DCF and OPM working on this Grantium system will allow for tracking all aspects of the contracting process; preparation for implementation will begin in September
5. Continued implementation of a contract data management system.	Grantium system will allow for tracking all aspects of the contracting process; implementation will begin this fall. In

	addition, DCF continues to expand its web-based data system for contract outcome management.
6. 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.	Plan to use the Lean process to identify required changes to implement this recommendation; Lean event should be completed by September 15.
7. Explore electronic approvals/signature for the contract signature process to eliminate hardcopy routing slip.	See #4 above
8. Implement programmatic contract monitoring to include regular site visits across all programs.	Program managers in Central and Regional offices and contract staff are meeting to define roles for program leads; site visits are part of that role. Site visits are currently conducted in residential programs and for many other service types. Site visits protocols will be developed this fall and implemented for each program as they are completed.
9. Review and revise, as appropriate, budget revision and financial reporting requirements & processes.	<i>OPM note: Review internally as well as part of UCOA effort</i> Staff meeting to review impact of changes implemented for FY2013 scheduled for August 13

C. Request for Agency Plans to address System-side Recommendations *Please fill-in boxes under "Agency Plan, Priority and Timeframe"*

System-wide Recommendations	Agency Plan, Priority and Timeframe
<p>1. Improve timeliness of contract executions-Goal is 95% executed no later than 15 days prior to contract start date. <i>A major issue, for some agencies, is that funding approval required to start the contracting process are provided so late that timely contracts are not possible</i></p>	<p><i>OPM note: % executed no later than 15 days prior to contract start date 69% in FY2011 and 78% in FY2012</i> This is a top priority: Use Lean to identify and eliminate non-valued added activities in the contract execution process. Conduct Lean event last week of August 2013 Decrease needed lead time for amendments and new service implementation Start contract renewal process no later than March 1 each year</p>
<p>2. Payments:</p> <ul style="list-style-type: none"> • Streamline Business processes related to payments • Basis for payment: decouple from reports • Authorizing Payments: Payment authorization shall be the responsibility of the contract unit, in consultation with program staff; eliminate Program/Fiscal review and/or approval of payment requests. • A single CORE Purchase Order shall be created and tied to the CORE Contract, for the life of the contract. 	<p><i>OPM note: Payment processes streamlined</i> All unnecessary steps have been eliminated Payments are not held for reports unless 2 reporting deadlines are missed consecutively (happens once or twice per year) Currently in place</p> <p>Currently in place</p>
<p>3. Best organizational structure and practice found among State POS agencies involves having a <u>central contracts unit</u> that is provides an accountable focal point for managing, in a <u>collaborative</u>, timely and efficient manner, the administrative, financial and contracting functions related to private provider health and human services contracts . <u><i>These best practice contracts units view program units as their customers and, most importantly, enable program staff to focus their time more productively on program and client outcomes.</i></u></p> <ul style="list-style-type: none"> • Contracts and Program staff will collaboratively oversee development of contract/provider budgets. • Contact unit staff, in consultation with Program staff, shall be responsible for approval of financial reports and budget revisions. • Payment authorization shall be the responsibility of the contract unit, in consultation with program staff. Human service agencies shall eliminate Program/Fiscal review and/or approval of payment requests. • 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. • Responsibility for Year-End Reconciliation: Contract unit staff shall be responsible for oversight of Fiscal Year-End reconciliation and State Single Audit review, in consultation, as needed, with Fiscal. 	<p><i>OPM note: DCF organization reflects best practice</i></p>

4. Increase and maximize use of Part I templates	<i>OPM note: DCF at 100% for templates</i>
5. Increase and maximize use of consolidated contracts	<i>OPM note: DCF fully-consolidated</i>
6. Contract Period of Performance	<i>OPM note: DCF moving to 5 year contracts</i>
<p>7. Electronic processes:</p> <p>Electronic Contract Assembly: Agencies shall implement electronic contract assembly software</p> <p>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).</p> <p>Reduced Number of Hard Copy Contracts: Agencies shall eliminate hard-copy storage of contracts in multiple locations/units.</p> <p>Electronic Contracts Library: Agencies shall implement an electronic contracts library that all agency staff can access to view active, executed contracts.</p> <p>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.</p> <p>Electronic Routing and Approvals: Intra-unit agency approval process shall rely on electronic routing and approvals eliminating manual, paper-based processes.</p>	<p><i>OPM note: Electronic submission of programmatic and fiscal reports; electronic library of contracts; many manual processes</i></p> <p>Working with OPM to implement Grantium software; target completion in spring 2014</p> <p>Plan to conduct Lean event including providers to identify most efficient path for contract execution by October 30 2013</p> <p>Only one hard copy of the contract is stored</p> <p>Currently in place</p> <p>Currently in place -Signed financial reports are not required</p> <p>Working with OPM and CSDC on implementation of Grantium software target completion in spring 2014</p>
<p>8. Training:</p> <p>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).</p> <p>Inter-Agency Cross Training: Agencies shall develop inter-unit cross-training opportunities to increase staff knowledge pertaining to contract development/oversight and programs.</p> <p>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.</p>	<p><i>OPM note: DCM provides some formal and informal training tools for contracts staff to utilize and provides training to internal staff. Awaiting refill of program manager position in DCM to implement training for providers.</i></p>
9. One Budget per Program: Provider contract budgets will be consolidated to ensure that each funded program contains only one budget per funding period	<i>OPM note: DCF follows recommended practice</i>

D. Request for Feedback/Plans on Recommendations re: Strengthening Outcome Measures and Performance-Based Contracting *Please provide feedback on the following recommendations*

<i>System wide recommendations for comments</i>	<i>Agency Comments</i>
Financial and Programmatic Reporting and Data Analysis: Agencies shall develop coordinated administrative and programmatic oversight component that includes administrative oversight, fiscal/programmatic reporting, and data analysis performed collaboratively by Program and Contracts staff.	<i>OPM note: see Recommendation B.8.</i> This structure is ideal but does require higher levels of staffing.
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 performance obligations.	All systems for receiving data and reporting need to be automated.
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. <i>(perhaps some common measures across State agencies could be identified through this process)</i>	It is helpful to have programmatic staff and managers involved in developing the outcomes. Provider collaboration is essential.
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.	it would be helpful to continue to use the RBA reporting format.
Other Suggestions in regarding to Outcome Measures/Performance Based Contracting and Related Data systems	