**Minutes**

**RFP and Procurement Processes Work Group**

**April 13, 2012**

**9:00 a.m-11:00am**

**Department of Public Health, Room 1C,**

**Hartford, CT**

**Members present:** Co-chair Chris Andresen, Co-chair Anne Ruwet, Deputy Commissioner Cheryl Cepelak, Alyssa Goduti, Barry Kasden, Daniel O’Connell, Richard Porth, Walt Sivigny

**Members absent:** Judi Jordan, Jewel Brown, Roberta Cook

**Other Attendees**: Marianne Buchelli, Liza Andrews, Tammy Freeberg

1. **Co-Chair Welcome**

Co-chair C. Andresen called the meeting to order at 9:15 a.m.

1. **Approval of Minutes of the March 2, 2012 Meeting**

The motion passed unanimously on a voice vote to approve the minutes from the March 2, 2012 meeting.

1. **Review of updates received for Partnership Principles (subcommittee)**

The subcommittee met to continue the work on the draft of the Partnership Principles document. D. O’Connell reported that the draft was based on previous work from the Donor’s Forum Report Findings assessing the Partnership Principles for a sustainable Human Services System. The subcommittee made changes and tailored the document for the purposes of the workgroup. A revised final document is included at the end of the minutes.

**Discussion:**

The first paragraph in the introduction has been revised to emphasize that the services provided by nonprofits are unique and fundamentally different from other state contracted service. The following are recommended changes to the report:

**Section 4.1b**: The group agreed that this is a complex issue due to geographic differences and variability in public transportation. The group will continue to explore this in order to ensure that it is equitable across the state. The workgroup agreed that it should be included in the report.

**Section 2.1:** C. Andresenraised a question of the meaning of the 2.1b and the difference from 2.1a. The workgroup agreed that for clarification the word “procurement” would be added to 2.1b.

**Section 2.1e and 3.2a**

The group discussed the need to minimize paperwork and to put forward a principle to reduce the paperwork in the introduction. L. Andrews stated the language for the databank should be changed to the document vault.

**Section 3.2b**

A key issue- there is a need to highlight that human services are a different type of service. Make clear the recommendation that human services have special qualities and do not fit current system. Review the language in the current statute for exemption status. L. Andrews will look at the language in the current statute.

**Recommendations for final document:**

* Sec 2.1.b. has been revised to include the word “procurement” before standards
* Sec 2.1.e. has been revised to state “document vault” instead of “data bank”
* The report should be driven by best/ evidenced-based practices.
* Include an Executive Summary at the end of the report with long and short term goals.
* Outline progress for quick impact.
* Highlight those recommendations that are of importance and are priorities.

A motion was made by R. Porth and seconded by D. O’Connell to accept the recommendations of the subcommittee with the revisions made by the workgroup

1. **Review of updates received for Procurement Standards Recommendations (subcommittee)**

The group reviewed the report from the Procurement Standards subcommittee. The workgroup agreed to change the following items from the Procurement Standards Report:

**#17. Submission of RFPs.**

The workgroup agreed that this recommendation supports the importance in reducing paperwork, and increasing efficiency.

**Recommendations:**

* Language such as “when feasible” or “applicable” be added.

**#14. Debriefing.**

The workgroup discussed concerns with the appeal process. At this time, there is not a Contractor Standards Board in place to handle appeals of the procurement process. The workgroup identified potential entities to handle the appeal process: OPM, DAS, Office of Gov’t Accountability, or other objective agency be in place to review and develop this mechanism. Another recommendation was to use teams from other agencies to review the process.

**Recommendations:**

* Identify an objective body to oversee the Appeal Process.
* Using people from other agencies could help connect state agencies in the procurement process and enhance consistency and collaboration.
* Explore further the role of the Office of Gov’t Accountability.
* Highlight recommendations and submit in report.

A motion was made by D.O’Connell and seconded by A. Godutti to accept the recommendations of the subcommittee with the revisions made by the workgroup.

1. **Plan for completing final report**

An outline of the final report was shared with the group. The group agreed to highlight those recommendations that are of importance and are priorities. The outline will be used to submit the June Report to the Governor’s Cabinet on Nonprofit Health and Human Services final report. A copy of the outline is included at the end of the minutes.

Tasks for the next meeting:

* Discuss the outline for findings, major issues; include reference the Donor’s Forum document in the report.

1. **Items to share at April 20th Cabinet Meeting**

* Final Partnership Principles Report
* Highlighted Recommendations from Procurement Standards Subcommittee

1. **Next Meeting**

Due to the Cabinet meeting on May 4, 2012, the next meeting will take place on May 11 from 9-11 at 410 Capitol Avenue in Room 1C, Hartford, CT. A notice will be sent to members with the revised meeting date.

1. **Adjournment**

The meeting was adjourned at 11:05 a.m.

**GOVERNOR’S CABINET ON NONPROFIT HEALTH & HUMAN SERVICES**

**RFP PROCUREMENT PROCESSES WORKGROUP**

**Partnership Principles for a Sustainable Health and Human Services System**

**Introduction**

The Cabinet endorses the principle that a healthy nonprofit sector is vital to the well being of the citizens of Connecticut. The nature of health and human services that are provided by nonprofits is fundamentally different from other state contracted services and requires increased state agency discretion and flexibility in procurement. It is important that the state provide a system of procurement and adequate funding to support the optimal provision of these unique services now and in the future.

Nonprofit Health and Human Service providers must be recognized as partners with state government in the provision of high quality, essential services to Connecticut’s most vulnerable citizens. It is imperative that the nonprofit provider community fully embrace and utilize established results based accountability practices to demonstrate meaningful and appropriate outcomes for all state funded programs. This can only be achieved by working together in a true partnership.

The following Partnership Principles are intended to promote a fair, responsive, transparent and accountable partnership between nonprofit providers and their government funders in Connecticut. (1)

**I. CONTRACTED SERVICES**

**All contracted services are based on a dynamic, data-driven system.**

1.1 Contracted services are based on a comprehensive and transparent planning process that defines and prioritizes services.

1.1.a. Planning includes local and regional input from consumers, providers and state agency representatives.

1.1.b. Planning is coordinated across service and funding areas.

1.1.c. Planning is conducted at a minimum of every 10 years based on the most recent census data, and no more frequently than every five years.

1.1.d. Public funding is allocated across services, geography, and populations based first on existing needs, with consideration of emerging needs, service gaps, and disparities.

1.2 Contracted services balance best practices and good stewardship of public dollars with given resources.

1.2.a. There is a system to uniformly describe services and identify consistent terminology for use in budgeting, contracting, reporting, and evaluating.

1.2.b. Government and service providers participate in a formal process to identify, define, and communicate best, informed, and promising practices for contracted services. (e.g. DMHAS Practice Improvement Initiative)

1.2.c. In determining contracted services, government considers both short- and long-term benefits to consumers and communities, given available resources

1.2.d. Contracted services are assessed according to the relative benefits to the consumers and communities, the number of potential beneficiaries, and the severity and/or extent of need.

1.2.e. Where communities do not have the infrastructure to deliver the necessary level or types of services, public dollars are invested in building the capacity of providers to deliver effective services.

1.2.f. Government invests in innovative services and service models for providers to achieve desired results.

**II. CONTRACTED PROVIDERS**

**The selection processes for contracted providers are transparent and competency-based.**

2.1 The procurement for human services is a transparent and streamlined decision-making process.

2.1.a. Government establishes grant criteria and contract award processes in advance and adheres to request for proposal (RFP) processes.

2.1.b. Government consistently applies procurement standards and policies to determine contract awards across providers.

2.1.c. Potential bidders receive adequate notice of funding opportunities at a designated state website (e.g. DAS Procurement Portal).

2.1.d. Each request for proposal includes explicit guidance on eligibility qualifications for service providers, and all qualified, interested providers have the opportunity to apply.

2.1.e. Paperwork is reduced and duplication is minimized through a shared use of a common document vault.

2.2 Contracts are awarded to providers that best demonstrate an ability to achieve desired outcomes through delivery of quality services.

2.2.a. Criteria for selecting providers include experience with service delivery, utilization of appropriate best practice or innovative models, investment in infrastructure, qualified staff and a track record of delivering the agreed-upon outcomes.

2.2.b. Selected providers demonstrate specific experience with, or knowledge of, the work specified, the target population(s), community, or region; community and consumer support; and cultural competency.

**III. CONTRACT TERMS AND RENEWALS**

**Contract terms and renewals are based on community best interest and performance.**

3.1 Contract renewal is based on provider performance and demonstration of continued ability to deliver contracted services.

3.1.a. There is a system for defining and measuring acceptable and excellent performance, including consumer satisfaction.

3.2 Decisions to conduct open bidding processes rather than contract renewals consider investments required to apply for, start up, deliver, administer, and evaluate services as well as impact on existing clients.

3.2.a. The renewal process minimizes duplicative paperwork by allowing providers to certify where there are no changes to corporate legal and organizational status.

3.2.b. Rebidding of contracts is based on compelling reasons and not arbitrary timeframes.

3.3 When contracts are not renewed, the transition process takes the best interests of consumers and communities into account.

3.3.a. Timeframes for government communication about the non-renewal of a contract allow for coordination between terminated and new providers to provide continuity of care for consumers.

**IV. CONTRACT AMOUNTS AND TIMELY PAYMENTS**

**Contract amounts and timely payments are critical to maintaining a viable system.**

4.1 Payment is based on the full cost of efficient service delivery consistent with agreed-upon quality standards.

4.1.a. Payment for services is set in a fair and transparent fashion with clear methodology for assessing the full costs of service delivery and with the opportunity for providers to provide input on the methodology.

4.1.b. Baseline payment may be adjusted to reflect differences of geography and consumer population characteristics, to the extent that they impact the cost to deliver service.

4.1.c. Payment may be adjusted to reflect a level of quality or performance above a defined baseline.

4.1.d. Rates are adjusted annually to reflect changing costs of service delivery.

4.1.e. Services and other requirements to receive payment, and payment terms, are established at the beginning of the contract and renegotiated only in accordance with pre-established parameters and timeframes.

4.2 Contracted providers do not bear financial risk of late payment.

4.2.a. Payments to providers adhere to agreed-upon timeframes.

4.2.b. Government pays interest on late payments.

4.3 Payment mechanisms maximize federal dollars for the State of Connecticut.

**V. REPORTING AND MONITORING**

**Reporting and monitoring promote efficiency and accountability.**

5.1 Reporting and monitoring systems emphasize the level and efficacy of services for consumers.

5.1.a. Providers and government agree in advance and adhere to evaluation methods, which may include assessments by staff and consumers as well as other performance measures.

5.1.b. Providers and government agree in advance to program activity measures that provide pertinent information about the services.

5.2 Reporting, billing, and monitoring systems are efficient and standardized across services and government agencies.

5.2.a. Reporting requirements are scaled to the amount of funding provided.

5.2.b. Compliance requirements related to financial management are consistent with generally accepted accounting standards.

5.2.c. Government monitoring procedures for financial and organizational compliance are standardized and accepted across government agencies, with the objectives to reduce paperwork and eliminate redundant monitoring.

5.3 Technology efficiently serves the information needs of government and service providers, including the input, reporting, and analysis of service and billing information.

5.3.a. Government agencies use common systems for provider reporting and billing to avoid duplicate entry.

5.3.b. Government reporting systems allow providers to access the data that they have reported to the government.

5.3.c. Government reporting systems allow interface with provider information systems, including furnishing an electronic document vault/file cabinet.

5.3.d. Government invests in current technology including its own systems, systems that government requires providers to use, and the related costs of providers’ systems.

5.4 Providers and government agree on the best techniques to demonstrate value of services and prudent use of public funds.

**VI. COMMUNICATION**

**Open communication and mutual accountability are critical for government and nonprofit providers to fulfill their shared commitment to the public good.**

6.1 Government and providers are proactive and responsive in their communications concerning all aspects of the contracting relationship, including opportunities and challenges.

6.1.a. Government seeks input from providers about potential contract changes and requirements, as well as realistic timeframes to implement these activities.

6.1.b. Government provides information about contract changes, requirements, and deadlines within reasonable timeframes to provide for thoughtful planning and to minimize negative consequences for consumers.

6.1.c. Government engages providers in developing and implementing quality standards, outcome measurements, and reporting and billing systems.

6.1.d. Specific individuals within the government and provider structures are designated as contacts for the other party for problem solving and other communication.

6.1.e. In addition to informal communication, there are specific mechanisms that provide opportunities for regular dialogue between government and providers.

6.2 Government coordinates human services contracting activities across departments and agencies in order to enhance efficiency and effective service delivery for consumers.

6.3 Government regularly makes information on human services and their results available to the public. (2)

1. Adapted from: State of Connecticut: Commission on Nonprofit Health and Human Services (2011) *Final Report, Special Act 10-5* (pp 79)
2. Adapted from: Fair and Accountable Principles for a Sustainable Human Service System (Chicago, IL: Donors Forum, January 2010)