



ADMINISTRATIVE COMMITTEE MEETING NOTICE/AGENDA

Posted at www.scdd.ca.gov

DATE: June 18, 2014

TIME: 1:00 - 3:00 p.m.

LOCATION: State Council on Developmental Disabilities
1507 21st Street, Suite 210
Sacramento, CA 95811
(916) 322-8481

TELECONFERENCE SITE:

Area Board 4

236 Georgia Street, Suite 201
Vallejo, CA 94590

Area Board 11

2000 E. Fourth Street, Ste. 115
Santa Ana, CA 92705

Pursuant to Government code Sections 11123.1 and 11125(f), individuals with disabilities who require accessible alternative formats of the agenda and related meeting materials and/or auxiliary aids/services to participate in this meeting should contact Robin Maitino at (916) 322-8481 or email robin.maitino@scdd.ca.gov. Requests must be received by 5:00 pm April 18, 2014.

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|--|------------|---|
| 1. CALL TO ORDER | M. KENNEDY | |
| 2. ESTABLISHMENT OF QUORUM | M. KENNEDY | |
| 3. WELCOME/INTRODUCTIONS | M. KENNEDY | |
| 4. APPROVAL OF MAY 2014 MINUTES | M. KENNEDY | 3 |

5. **PUBLIC COMMENTS**

This item is for members of the public only to provide an opportunity to comments and/or present Information to the Committee on matters **not** on the agenda. Each person will be afforded up to three minutes to speak. Written requests, if any, will be considered first. The Committee will provide a public comment period, not to exceed a total of seven minutes, for public comment prior to action on each agenda item.

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|-----|-----------------------------------|--------------|----|
| 6. | MTARS UPDATE | M. POLIT | 6 |
| 7. | FISCAL AND BUDGET ISSUES | M. KENNEDY | |
| 8. | CONTRACT MANUAL | N. BOCANEGRA | 32 |
| 9. | DSA MOU'S UPDATE | N. BOCANEGRA | |
| 10. | FACILITATION POLICY UPDATE | N. BOCANEGRA | |
| 11. | FUTURE AGENDA ITEMS | ALL | |
| 12. | ADJOURNMENT | M. KENNEDY | |

For additional information regarding this agenda, please contact Robin Maitino,
1507 21st Street, Suite 210, Sacramento, CA 95811, (916) 322-8481

D R A F T

**Administrative Committee Meeting Minutes
May 27, 2014**

Attending Members

Eric Gelber
Molly Kennedy
Ning Yang
Ray Ceragioli

Members Absent

Kris Kent
Max Duley

Others Attending

Lynn Cach
Mark Polit
Mary Agnes Nolan
Nancy Dow
Natalie Bocanegra
Mike Clark

1. **Call to Order**
Molly Kennedy called the meeting to order at 1:17 p.m.
2. **Establishment of Quorum**
A quorum was established.
3. **Welcome and Introductions**
Members and others introduced themselves.
4. **Approval of the April 23, 2014 Minutes**
It was moved/seconded (Yang/Ceragioli) and carried to approve the April 23, 2014 minutes.
5. **Public Comments**
There were no public comments.
6. **FY 2014-15 Proposed Budget Presentation to Council**
The Committee went over the proposed budget included in their packet. Molly requested that Ed and/or Lynn be available at the Council meeting to answer any questions the members might have on the proposed budget. Ed and Lynn agreed to be present by 2 p.m.
7. **MTARS Update**
Mark went over the work plan, emphasizing milestones that had been accomplished and commended staff for all their hard work. Mark stated that the Council is developing a constructive relationship with AIDD. In fact, AIDD will participate via telephone at tomorrow's MTARS meeting.

They will be providing input to the Committee on the legislative language. AIDD recently released March funds and will hopefully be releasing April funds shortly.

Mark concluded his report by stating that the first progress report was submitted to AIDD on May 1st and the second will be submitted on June 2nd.

8. **Future Fiscal Issues**

Molly led a discussion on the future fiscal issues the Council faces given the nearly \$1,000,000 deficit. She directed staff to provide an update to both the Council and MTARS Committee.

9. **Transition Plan**

Mark and Molly gave a brief report on the progress of developing a strong management team. The Executive Committee met on May 9th and took action to recommend that the Council appoint Mike Clark as Interim Executive Director. Still no word on the appointment of the Chief Deputy for Administration but Mark and Molly hope to hear something very soon. The Planning Specialist remains vacant so Mark has decided to fill the position with a CPSII or AGPA rather than a Governor's appointed position. And finally, staff is still waiting to hear on the status of the Leg position.

10. **Review of Sample DSA MOU's**

Natalie is reviewing the sample DSA/MOU information that was previously provided. Molly explained that this item has been in the discussion phase for approximately the past year and would like something completed by November. Natalie will work on creating a draft and keep the Committee updated on her progress.

11. **Development of Facilitation Policy**

Natalie went over the draft policy with the Committee. Committee members provided input and requested that Natalie and Mary Agnes work with the SAAC committee on a plain language version of the policy before going to the Executive Committee. Natalie stated that a separate driver policy would need to be developed.

12. **Other Policies and Procedures**

Natalie is compiling a list of policies and procedures that need to be developed. Once complete, she will be working closely with the Committee to prioritize and provide input.

13. **Future Agenda Items**

Molly asked for the following items to be included in the June Admin agenda:

- MTARS Update
- Fiscal/budget Issues
- Executive Director Transition
- DSA MOU's Development
- Facilitation Policy

14. **Adjournment**

The meeting was adjourned at 2:45 p.m.

II. ORGANIZATIONAL ADMINISTRATION

II.1 Staff

2013 MTARS Finding (1)

The Director shall hire, supervise, and annually evaluate the staff of the Council. Sec. 125(c)(9)

The Council Director (not the Governor) should hire Council staff and supervise and annually evaluate them. Instead the:

- Council Director submits hiring recommendations to the Governor and the Governor has the final authority to hire two deputy level staff.
- The Council has the final approval for the hiring of other staff.

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (1): The Council agrees with this finding.

CORRECTIVE ACTION (1): The Council proposes amending state law, the Lanterman Act, to provide that the Executive Director of the Council is the hiring authority for all Council staff. It is the Council’s intent to propose substantive revisions to the Lanterman Act to address this and other MTARS findings of noncompliance. The Governor’s office has indicated its support for relinquishing hiring authority in order to come into compliance with the DD Act.

STAFF ASSIGNED: Mark Polit, Deputy Director for Policy and Planning and Natalie Bocanegra, Staff Counsel; Council’s MTARS Committee to oversee process.

TIMELINES: Effective January 17, 2014, Assembly Member Wesley Chesbro agreed to sponsor a bill with intent language: “it is the intent of the Legislature to make statutory changes to Division 4.5 of the Welfare & Institutions Code as it pertains to the operations, structure and responsibilities of the Council. These changes will bring state law into full compliance with federal law, in order to provide for the continued operation of the Council.” Assembly Bill 1595 (AB 1595) was introduced on February 3, 2014. Please refer to **Attachment B** for an anticipated legislative timeline and outline of legislative concepts. **Attachment C** is AB 1595. The Council anticipates that the bill will be signed by the Governor in September 2014 and take effect January 1, 2015.

June 2nd Status Update (1): In May 14, AB 1595 passed from the Assembly Appropriations Committee to the Assembly floor by consent. On May 23, the bill then passed the Assembly by a vote of 73-0, and has now moved to the Senate, where it is to be heard in the Senate Human Services Committee on June 24.

On May 28, the MTARS Committee voted to amend AB 1595 based on concerns expressed by AIDD on technical assistance calls and in writing on May 27. On May 29, the full Council voted to accept the recommendations of the MTARS Committee, opening the way to amend AB 1595 to address AIDD comments. The text of the Council resolution reads:

- (1) *Start the legislation with the DD Act and federal language authorities in the revisions to statute.*
- (2) *Review AIDD comments and make sure that language in statute reflects Council independence, free from state interference.*
- (3) *Add language that some state provisions in statute can be done by Council with federal funds, if it is consistent with the Council’s State Plan. Otherwise the Council may engage in other activities using other funds.*

A workgroup will draft amendments, as directed by the Council, under the direction of the Council Chair, Molly Kennedy. The drafting workgroup is comprised of Catherine Blakemore (ED of Disability Rights California), Kris Kent (Assistant Secretary of the Health and Human Services Agency), Eric Gelber (Legislative Director of DDS), Mark Polit (SCDD Acting ED), and Natalie Bocanegra (SCDD Staff Counsel). We plan to amend the new language into AB 1595 by the Senate Human Services Committee meeting on June 24. All bills must be sent to the Governor by August 31, and signed or vetoed by the Governor by September 30. Bills signed by the Governor take effect January 1, 2015.

III. MEMBERSHIP

III.1 Membership policies

2013 MTARS Finding (2)

Membership recommendations solicited by Governor from a broad range of organizational sources including non-state agency members of the Council. Sec125(b)(1)(B)

The Council’s membership nomination and appointment process has been historically inhibited by state bureaucracy. It is unclear if and how membership recommendations are solicited from a broad range of DD/ID organizational sources and non-state agency members of the Council.

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (2): The Council agrees that it is in limited compliance with this finding. In this instance, California state law is consistent with the DD Act. The Lanterman Act, Welfare and Institutions Code (WIC) Section 4521 includes the following provision:

4521(c) Prior to appointing the 31 members pursuant to this section, the Governor shall request and consider recommendations from organizations representing, or providing services to, or both, persons with developmental disabilities, and shall take into account socioeconomic, ethnic, and geographic considerations of the state.

However, the Council has historically been somewhat passive in its involvement in the recruitment of new Council members. Currently, individual Council members may informally recommend that a colleague or acquaintance apply for appointment, but there is no organized process for soliciting their recommendations and submitting them to the Governor’s Appointment office as required in Section 125(b)(1)(B). The Governor does proactively seek input from a variety of ID/DD organizations, but that effort is conducted independent of the Council’s involvement.

CORRECTIVE ACTION (2): The Council will amend its bylaws to establish a Membership Committee to recruit, solicit and advise the Governor on appointments to the Council. Its membership will consist exclusively of self-advocates and family advocates who are community leaders and who may or may not be Council members. Part of the rationale for selecting non-Council members in addition to Council members to sit on this Committee is to permit the Council to strategically reach out to influential individuals in the I/DD field who have extensive contacts. In many cases, these individuals are not eligible to themselves sit on the Council because they wear multiple hats as both self/family advocate and disability professional. The Committee will consist of at least three members, a majority of whom are Council members.

Consistent with Council Bylaws, the Chair shall be a Council member. The Committee will meet quarterly at minimum and more frequently as needed. The bylaws will define its membership and responsibilities and will include language in Section 125(b)(1)(B) that the Membership Committee will “coordinate Council and public input to the Governor regarding all recommendations.” Among its duties will be to develop recruitment materials and publicity strategy. The Membership Committee will, at least quarterly, solicit recommendations for candidates via social media, and email/web alerts from among the regional advisory committees, self-advocacy groups, family support groups, the Federal Partners and service providers. The Chair of the Membership Committee will be charged with submitting the Committee’s recommendations to the Governor’s Appointment Office.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director; MTARS Committee to oversee implementation.

TIMELINES: Council to amend Bylaws to create Membership Committee at its March 20, 2014 meeting. Chair to complete appointments to the Committee by May 9, 2014. Membership Committee to hold first meeting in June 2014. Please refer to **Attachment D** for Council’s February 2014 draft updated Bylaws.

Attachment E consists of the MTARS Committee Roster and Agendas

June 2nd Status Update (2): On May 29, the Council voted to revise the bylaws to establish a membership committee. The Council Chair has appointed members of the committee and a chair. The Membership Committee will hold its first meeting in June. The committee will be staffed by the incoming Interim Executive Director, Dr. Mike Clark. A copy of the membership roster the approved bylaws revision is attached.

III.1 Membership policies (continued)	2013 MTARS Finding (3)
Members reflect the state’s diverse geographic locations, race, and ethnicity. Sec.125(b)(1)(C)	The appointment process for obtaining new Council members has hindered compliance with the DD Act. Currently, SCDD’s membership composition does not meet the requirements for geographic, racial, and ethnic diversity.

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (3): The Council has historically had several vacancies and currently has four vacancies for positions recommended by the Area Boards. However for the current 15 non-agency members of the Council, the ethnic and racial representation is as follows: 21% Latino, 7% black, 7% Asian. The membership is currently geographically diverse as well.

By design, the Council has historically enjoyed geographic diversity, since 13 seats are filled by members from the 13 regions covering the entire state.

CORRECTIVE ACTION (3): The newly constituted Membership Committee will formally take the lead in conducting outreach to unrepresented regions of the state and underserved communities. The Chair of the Membership Committee will solicit from among non-agency Council members, the regional advisory committees, self-advocacy leaders and family support groups, especially those whose membership is composed of individuals from traditionally underserved ethnic or racial minority communities.

Based on the many findings relating to membership policies, the Council has begun to develop legislative language to amend the Lanterman Act. This will result in an appointment process that continues to

promote geographic, racial and ethnic diversity. Currently, geographic diversity is established by having a seat assigned to each of the 13 regional advisory committees. It is anticipated that revisions to the Lanterman Act will preserve the geographic diversity by assuring that there will be at least one Council member from the geographic area encompassing each of the Council’s regional offices. The local regional advisory committees will be encouraged to recommend potential candidates, but the Governor retains authority to select the Council membership.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director; MTARS Committee to oversee

TIMELINES: As cited above with Membership Committee holding first meeting by June 30, 2014. Based on conversations with the Governor’s Appointment staff, we are optimistic that all vacancies will be filled by July 2014. Please see **Attachment F** for Council roster effective February 6, 2014.

June 2nd Status Update (3): As discussed under corrective action #2, the membership committee has been formed and is scheduled to meet in June. As discussed under corrective action #1, AB 1595 has been passed to Senate. There are no planned amendments relevant to this corrective action.

<i>III.1 Membership policies (continued)</i>	<i>2013 MTARS Finding(4)</i>
The Council has provisions to rotate membership. Sec.125(b)(2)	Each regional office (i.e. Area Board) representative has to be nominated by the governor. Membership rotation has been historically inhibited by the state’s bureaucratic appointment process. For example, one regional office has not had representation on the Council for two years.

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (4): There have historically been challenges in filling Council vacancies. The requirement that these seats be filled by Governor-appointed representatives of each regional office’s board has complicated the appointment process.

CORRECTIVE ACTION (4): The anticipated revisions to the Lanterman Act which are being proposed, will streamline the appointment process significantly. The Council intends to also request that statutory language be revised so that a member’s term begins on the date of their appointment. Additional statutory language will be crafted so that members can continue to serve while awaiting replacement.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director, for activities of the Membership Committee; Mark Polit to oversee the legislative process; both overseen by MTARS Committee.

TIMELINES: As cited above, by June 30 2014 for first meeting of Membership Committee. Anticipated revisions to state law will go into effect January 1, 2015. Beginning no later than June 30 2014, via the Membership Committee as its vehicle, it is anticipated that the Council will enjoy a collaborative and shared mission with the Governor’s office in constituting the Council.

June 2nd Status Update (4): The revisions in law through AB 1595, discussed above in Status Update (1), have moved from the Assembly to the Senate. There are no planned amendments to AB 1595 relevant to this corrective action.

III.1 Membership policies	2013 MTARS Finding(5)
The Council has provisions that allow continuation of membership until a new member is appointed. Sec.125(b)(2)	The Council did not provide evidence of a policy for allowing the continuation of Council membership until a replacement member could be appointed.
California State Council on Developmental Disabilities Response	
<p>COUNCIL RESPONSE (5): The Council agrees with this finding, as there are conflicting provisions of state law.</p> <p>In compliance with the DD Act, the Lanterman Act currently states: <i>4521(g) A member may continue to serve following the expiration of his or her term until the Governor appoints that member's successor.</i></p> <p>However, the Lanterman Act also contains a provision which contradicts both the DD Act and Section 4521(g), quoted above: <i>4521(d) ... In no event shall any member described in paragraph (1) of, subparagraphs (E) and (H) of paragraph (2) of, and paragraph (3) of, subdivision (b) serve for more than a total of six years of service.</i></p> <p>CORRECTIVE ACTION (5): The Council is proposing an amendment to the Lanterman Act to clarify that Council member may continue serving until a new member is appointed. The bylaws will be updated in November 2014 to reflect changes in the Lanterman Act from AB 1595.</p> <p>STAFF ASSIGNED: Mark Polit, Deputy Director for Policy and Planning with oversight by MTARS Committee</p> <p>TIMELINES: As previously cited, legislation has been introduced with the assumption that it will be signed by the Governor in September and go into effect January 1, 2015.</p> <p>June 2nd Status Update (5): The revisions in law through AB 1595, discussed above in Status Updated (1), have moved from the Assembly to the Senate. There are no planned amendments to AB 1595 relevant to this corrective action.</p>	
III.1 Membership policies (continued)	2013 MTARS Finding(6)
The Council has a process to notify Governor re: membership and vacancies. Sec. 125(b)(2)	The Council did not provide evidence of a transparent and effective process to notify Governor regarding membership vacancies.
California State Council on Developmental Disabilities Response	
<p>COUNCIL RESPONSE (6): Although a process exists in state law to address vacancies, in practice there have indeed been long-standing vacancies. The Lanterman Act states: <i>4521(g) The state council shall notify the Governor regarding membership requirements of the council and shall notify the Governor at least 60 days before a member's term expires, and when a vacancy on the council</i></p>	

remains unfilled for more than 60 days.

CORRECTIVE ACTION (6): The Membership Committee shall propose to the Council a formalized process for documenting these provisions and the Council will adopt revisions to its bylaws accordingly. This will include: 1) Notifying the Governor six months in advance when feasible; 2) Submitting multiple recommendations to the Governor for consideration; 3) Soliciting support from the DSA when vacancies remain for more than four months; 4) Reporting persistent vacancies to AIDD through the PPR process; 5) Soliciting technical assistance from AIDD when persistent vacancies exist.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director, with MTARS Committee overseeing process

TIMELINE: Membership Committee to propose revisions to bylaws by December 31, 2014.

June 2nd Status Update (6): The revisions in law through AB 1595, discussed above, have moved from the Assembly to the Senate. There are no planned amendments to AB 1595 relevant to this corrective action.

On May 29, The Council revised the bylaws to form a membership committee that meets at least quarterly, solicits recommendations for candidates, makes recommendations to the Governor, and reports to the Council quarterly on these activities. The Council chair has appointed members and a chair of the committee. The first meeting of the membership committee will be in June.

III.2 Membership requirements

2013 MTARS Finding(7)

60% of membership represent individuals with DD in the following categories:
Sec.125(b)(3); Sec.125(b)(5)

- 1/3 individuals with DD
- 1/3 parents and guardians of children with developmental disabilities or immediate relatives of guardians of adults with developmental disabilities
- 1/3 combination
- At least one is immediate relative or guardian of an individual with developmental disabilities who resides or previously resided in an institution or an individual with developmental disabilities who currently/previously resided in an institution in the State.
Sec.125(b)(6)

Historically the Council has had long term vacancies. Several membership rosters have been submitted since last year and four membership vacancies were filled just prior to the on-site monitoring visit. An updated membership roster is requested as part of the FY14 State Plan Amendment to AIDD to ensure compliance.

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (7): The Council has historically had several vacancies.

CORRECTIVE ACTION (7): With the creation of the Membership Committee, we foresee a more engaged Council, wherein the Council will actively involve itself in seeking out and promoting candidates for the

Governor’s consideration. The Chair of the Membership Committee and the staff assigned to support that Committee will be working with the Governor’s Office to rapidly fill existing vacancies. An updated membership roster was submitted as part of the FY14 State Plan Amendment. (**Attachment F** contains the current Council roster as of February 3, 2014.) It should also be noted that the Governor’s Assistant Appointment Secretary, Sarah Greenseid, sits on the MTARS Committee with the commitment of the Governor’s office to ensure the state’s compliance with the DD Act.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director, with oversight by MTARS Committee

TIMELINES: Immediate and ongoing, calls to Governor’s office bi-monthly, at minimum. A follow-up email will be sent to document the contact. Council members, staff and regional advisory members will be informed of an aggressive campaign to recruit new members via an email to be disseminated by February 28, 2014.

June 2nd Status Update (7): On May 29, The Council revised the bylaws to form a membership committee that meets at least quarterly, solicits recommendations for candidates, makes recommendations to the Governor, and reports to the Council quarterly on these activities. The Council chair has appointed members and a chair of the committee. The first meeting of the membership committee will be in June.

IV. PROGRAM ADMINISTRATION

IV.1. Five Year State Plan

2013 MTARS Finding(8)

The plan shall focus on Council efforts to bring about the purpose of this subtitle, by specifying 5-year goals, as developed through data driven strategic planning, for advocacy, capacity building, and systemic change related to the areas of emphasis, to be undertaken by the Council. Sec.124(c)(4)(A)

There was inadequate evidence that the:

- Council engages in data-driven strategic planning to develop the State Plan and takes the primary role in the planning process.
- State Plan is the Council’s Plan and that activities are undertaken by the Council versus the State Plan being one that is configured by and for the Area Boards.
- Council is free from state interference in the development of the State Plan. The state’s DD agency awarded the Council two contracts: (1) Client Rights Advocacy and (2) Volunteer Advocacy Services. This state supported work is documented in the Goal 2 in the Council’s State Plan which states: “local offices provide assistance that include systems navigation, technical assistance, attendance to Individualized Education Plan meetings and assistance with due process”. The review team heard more about these two projects during interviews and public forum testimony than any other Council supported activity. While AIDD does not question the merit of the projects and the quality of the work being done by Council staff, it raises serious questions about whether the state is directing the

Council's State Plan or whether the Council is developing the State Plan.

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (8): In developing the California State Council State Plan, the Council is very unique and fortunate in having 13 local offices placed throughout the State. Compared to other states, California is an exceptionally large and diverse State with the 8th largest economy in the world. Further, because of the vast size and complexity of the State, the California State Council developed a unique, comprehensive, data-driven strategy to gather information in developing the State Plan. In past Plan development cycles, the Council relied on organizing public meetings which drew sparse audiences to a few central locations. Notwithstanding the richness of that material, it was limiting and did not utilize the networks and contacts of each of our regional offices.

The regional offices of the Council developed local needs assessments, utilizing the skills and insights of their advisory board members, local officials, school district personnel, and service providers.

The **Area Board Implementation Guide** assisted each of our local offices in focusing their energy and identifying the needs of their community. The process included a number of locally based public forums, which provided additional input to the work of the staff and volunteers who assisted the local offices in carrying out the identified local needs. At least one Council member attended each regional forum. It was this process repeated across each region that contributed to the development of the Council's State Plan. This was the first time that such a large number of local citizens had the opportunity to directly provide significant input into the development of the State Plan.

The work of the **Strategic Planning Sub-Committee** was to take this extensive data, quantify it, organize it into focus areas, and ultimately establish measurable goals and outcomes. The draft State Plan was presented to the Council which recommended revisions that were made by the Strategic Planning Sub-Committee. The State Plan that was ultimately submitted by the Council reflected data and stakeholder input that was collected throughout the state.

Please see **ATTACHMENT G** for documentation of the State Plan development process, including agendas/minutes of Strategic Planning Subcommittee

CORRECTIVE ACTION (8): As described in greater detail in the subsequent Section on Program Performance Report, the Council previously had a Strategic Planning Sub-Committee which oversaw the development of the 5 Year State Plan. That committee went dormant when the Planning Specialist position became vacant in 2011. As described in the later section, the Council intends to reconstitute as a Standing Committee, the State Plan Committee to both oversee implementation of the current State Plan, draft and submit to the Council the annual PPR, recommend State Plan Amendments as necessary, and begin planning for each subsequent 5 Year State Plan. It will be the job of the State Plan Committee to present to the Council at each Council meeting a document that demonstrates the Council's progress toward the specific goals and objectives.

STAFF ASSIGNED: Mark Polit, Deputy Director for Policy and Planning; Staff analyst with specialty in planning, starting in June; State Plan Committee reports to Council; MTARS Committee to ensure timely actions taken.

TIMELINES: Chair to appoint members of State Plan Committee by April 1, 2014. The Committee will meet quarterly with its first meeting to occur no later than June 30, 2014

June 2nd Status Update (8): The Bylaws were revised by the Council on May 29 to establish a State Plan Committee. The committee will advise the Council on the collection and reporting of information on unmet needs, priorities and emerging issues; make recommendations to the Council regarding priorities, goals and objectives for the State Plan; advise the Council on the implementation and reporting of progress on the State Plan; and make recommendations to the Council on priorities for grants to meet State Plan goals and objectives. The Council Chair has already selected the Chair and membership of the State Plan Committee (see attached roster).

The first meeting of the State Plan Committee will be June 23. This meeting will include training by Sheryl Matney of NACDD on the responsibilities of the Council with respect to state plan development, tracking implementation, and amending the state plan. The focus will be on where we are currently in the cycle: Gathering data on and ensuring adequate plan implementation. The State Plan Committee will begin its review of how the regional offices contribute to plan implementation, including the gathering of data and the Council's review of that data. This is the first step in developing more strategic control of implementation of the State Plan.

The MTARS Committee is charged with overseeing the implementation of the MTARS Corrective Action Plan and making recommendations to the Executive Committee and the Council related to the CAP. Therefore, The MTARS Committee will monitor the work of the State Plan Committee and independently review in depth the current State Plan, the controls over implementation of the State Plan, and the council organizational structure. These reviews will take place over the next several months and may lead to additional recommendations to the Executive Committee and the full Council.

The State Plan Committee should be supported by the Planning Specialist, a position appointed by the Governor. This position has been vacant for nearly three years. The candidate recommended by the Council's executive director for Planning Specialist was not appointed by the Governor to fill that position. Since the appointment process for a staff position can take significant time, the Council's Acting Executive director advertised on May 23rd for a comparable position through civil service to directly hire an analyst who can fill many of the functions of the Planning Specialist. The posting will close on June 9, and we hope to hire a qualified candidate by the June 23rd meeting of the State Plan Committee. The Deputy Director of Policy and Planning will then staff the State Plan Committee with the assistance of this analyst. The Planning Specialist position will no longer be critical path for implementation of this corrective action and will be filled at a later time.

COUNCIL RESPONSE (8) REGARDING THE COUNCIL'S TWO CONTRACTS (BULLET 3)

Council staff evidently gave confusing information when discussing the two state contracts (actually, Interagency Agreements) held by SCDD as the AIDD team's understanding of the nature of the two contracts is inaccurate. To clarify, the Council has two contracts with DDS: one contract is to provide both Client Rights Advocacy and Volunteer Advocacy Services (CRA/VAS), solely to the 1383 residents of California's state developmental centers. The second contract is to administer the National Core Indicators surveys statewide, known in California as the Quality Assurance Program.

The references made in the Finding regarding the outpouring of support for Goal 2 activities, are actually references to the advocacy, collaboration, training, and outreach that is conducted in the community by the staff that are housed in our local area offices. These activities are quantified in the State Plan as Objectives 2a), 2b), and 2c). The CRA/VAS contract is referenced in Objective 2d) of Goal 2: "The Council will collaborate with federal developmental disability partners and other key stakeholders to protect the rights of residents in Developmental Centers and other large facilities. The Council will be involved in the planning and implementation of any closure process of a Developmental Center."

The CRA/VAS contract is limited in scope to providing advocacy and training to the residents, families and staff of California's five state-operated facilities, including self-advocacy assistance. There are only twelve Council employees throughout the state who work on the CRA/VAS contract and they are solely assigned to that contract and solely paid via that contract. These funds are identified in the Budget Section of the PPR as non-federal funds.

It should be noted that the Council entered into this contract voluntarily as it was seen as a means for having a voice in the state's policies and long term service planning especially as it relates to the planned closure of California's remaining institutions. As with any contract, either party, DDS or SCDD, may terminate the contract.

In 1997 legislation was passed to address a persistent conflict of interest in the provision of client's rights advocacy services for individuals served in the community by the network of regional centers and the individuals who lived in state-run institutions. The contract requires the Council to:

(1) Provide clients' rights advocacy services to persons with developmental disabilities who are consumers of regional centers and to individuals who reside in the state developmental centers and hospitals, including ensuring the rights of persons with developmental disabilities, and assisting persons with developmental disabilities in pursuing administrative and legal remedies.

(2) Investigate and take action as appropriate and necessary to resolve complaints from, or concerning persons with, developmental disabilities residing in licensed health and community care facilities regarding abuse, and unreasonable denial, or punitive withholding, of rights guaranteed under this division.

(3) Provide consultation, technical assistance, supervision and training, and support services for clients' rights advocates that were previously the responsibility of the Office of Human Rights.

(4) Coordinate the provision of clients' rights advocacy services in consultation with the department, stakeholder organizations, and persons with developmental disabilities and their families representing California's multicultural diversity.

(5) Provide at least two self-advocacy trainings for consumers and family members. (our emphasis)

As a result of our role in the developmental centers, the State Council has been a key participant in the closure of three state institutions and the movement of former residents into an array of innovative new community living models.

For a clearer understanding of the scope of work and duties of staff assigned to this contract, please refer to **ATTACHMENT H** which consists of the CRA/VAS Interagency Agreement. Additionally, **ATTACHMENT I** contains the staff roster for the project. **ATTACHMENT J** contains the 2013 CRA and VAS Annual Reports. **CORRECTIVE ACTION (8):** The Council welcomes AIDD's guidance on the appropriateness of our work on this contract. It should be noted that the existence of this state contract has in no way deterred the Council from taking a variety of policy positions, even when critical of the administration and including criticism of the state's continued reliance on institutional settings. Most recently, the Council was an invited participant on the 2013 Task Force on the Future of California's State Developmental Centers.

STAFF ASSIGNED: Mark Polit, Deputy Director of Policy and Planning; MTARS committee to oversee

June 2nd Status Update (8): No action expected regarding this finding.

IV.1. Five Year State Plan	2013 MTARS Finding(9)
<p>Plan must include assurances related to:</p> <ul style="list-style-type: none"> ➤ (B) USE OF FUNDS - <i>At the request of any State, a portion of such funds provided to such State under this subtitle for any fiscal year shall be available to pay up to 1 /2 (or the entire amount if the Council is the designated State agency) of the expenditures found to be necessary by the Secretary for the proper and efficient exercise of the functions of the designated State agency, except that not more than 5 percent of such funds provided to such State for any fiscal year, or \$50,000, whichever is less, shall be made available for total expenditures for such purpose by the designated State agency</i> ➤ (C) STATE FINANCIAL PARTICIPATION.—<i>The plan shall provide assurances that there will be reasonable State financial participation in the cost of carrying out the plan.</i> ➤ (D) CONFLICT OF INTEREST.—<i>The plan shall provide an assurance that no member of such Council will cast a vote on any matter that would provide direct financial benefit to the member or otherwise give the appearance of a conflict of interest.</i> ➤ (K) STAFF ASSIGNMENTS.—<i>The plan shall provide assurances that the staff and other personnel of the Council, while working for the Council, will be responsible solely for assisting the Council in carrying out the duties of the Council under this subtitle and will not be assigned duties by the designated State agency, or any other agency, office, or entity of the State.</i> ➤ (L) NONINTERFERENCE.—<i>The plan shall provide assurances that the designated State agency, and any other agency, office, or entity of the State, will not interfere with the advocacy, capacity building, and systemic change activities, budget, personnel, State Plan development, or plan implementation of</i> 	<p>The Council did not provide adequate evidence that the plan is supported by the assurances in Section 125(c)(5)(B - D) and (K - L).</p> <p>Regarding (B) <i>Use of Funds</i>, the review team could not draw any conclusions about the Council based on the information provided about the expenditures for the DSA. It was stated during interviews that:</p> <ul style="list-style-type: none"> • The DSA charges the Council an indirect rate for the services it provides. • The rate stated by Council staff was in excess of the 5% or \$50,000 limit. • Staff did not know the DSA’s indirect policy and no written policy was provided. • The Council is required to pay the indirect rate. The Council staff stated it does so from two contracts the state awards to the Council. <p>In regards to (C) <i>State Financial Participation</i>, when the review team inquired about how the state provides match, there were comments about state contract funds being factored in but there was a tremendous lack of clarity on this matter.</p> <p>In regards to (D) <i>Conflict of Interest</i>, the majority of the Council is comprised of non-agency representatives who are Area Board representatives. There are 13 Areas Board representatives on the Council and 7 “at large” members. The Area Board representatives sit on the State Council and on the Advisory Committee to the Area Boards. This dual role presents a conflict of interest and gives the appearance of a conflict of interest. The Council does not have a policy or procedure to address this.</p> <p>In regards to (K) <i>Staff Assignments</i>, it appears that Council staff is carrying out work directed by the state and not necessarily the Council through the state funded Client Rights Advocacy and Volunteer Advocacy Services projects. Through these contracts, Council staff conducts assessments and monitoring in the State’s developmental</p>

<p><i>the Council, except that the designated State agency shall have the authority necessary to carry out the responsibilities described in section 125(d)(3).</i></p> <p>Sec.124(c)(5)</p>	<p>centers. Providing direct services is outside the purview of the Council’s responsibilities. Furthermore, this work is in support of the two state contracts and therefore directs the work carried out by Council staff located in the regional office. Since it is work created by and for the state, it raises questions as to whether the Council staff is assisting the Council or the state.</p> <p>In regards to (L) <i>Noninterference</i>, it is very difficult to conclude whether the Council is free of interference:</p> <ul style="list-style-type: none"> • To avoid duplication, issues related to interference with the budget process are described under <i>VI.1 Fiscal Requirements</i> • To avoid duplication, issues related to interference with personnel are described under <i>II.1 Staff</i> • To avoid duplication, issues related to interference with State Plan development are described in the Section above <i>IV.1. Five Year State Plan</i>.
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California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (9 B and C): The Council agrees that there has been a lack of clarity on the two issues of (B) Use of Funds; and (C) State Financial Participation. With the staff turnover experienced in recent years, there is a lack of institutional knowledge. This is an area in which the Council would appreciate technical assistance.

To clarify our current practice, the Council has an Interagency Agreement (IA) in the amount of \$390,000 with the California Department of Social Services (CDSS) to provide administrative support services in the areas of accounting; some IT support; some human resources services; procurement; and contracting. We have assigned \$50,000 of these costs to the DSA functions. However, the scope of administrative work performed by the Department of Social Services far exceeds the required duties of the DSA. For example, the Council does not have state-approved delegated purchasing authority. Its purchasing authority is held by DSS and therefore, all contracts are encumbered by DSS on behalf of SCDD. We believe it is appropriate for the Council to assign some of the cost of our CDSS Interagency Agreement as General Management costs. If not for this Interagency Agreement, the Council would have to bring these functions in-house, at substantially greater cost. The \$390,000 CDSS IA is broken down as follows:

- \$50,000.....DSA Functions
- \$136,960..... Council General Management costs
- \$92,040.....Funds from State CRA/VAS contract
- \$111,000.....Funds from State QA (NCI) contract

The CDSS states that the cost of providing the support services as outlined in the IA, far exceeds the

\$390,000 paid by SCDD. According to the CDSS, the services more accurately cost \$620,000. Therefore, the difference between the \$620,000 worth of support services provided to the Council versus the \$390,000 paid for these services, represents California's State Financial Participation.

Please see **ATTACHMENT K** for a copy of the CDSS Interagency Agreement as well as supplemental information from CDSS on this matter.

Additionally, it should be noted that, to a very large degree, the California Council implements its State Plan through staff activities which requires no match. In Fiscal Year 2013, the Council awarded \$580,414 in grants, which represents 9% of our allotment. The grantees did provide matching/in-kind funds for a total match of \$284,276 or nearly 50% of the funds awarded. Please see **ATTACHMENT L** for (FY 2013) Cycle 35 Grants and the current (FY 2014) Cycle 36 Grants.

CORRECTIVE ACTION (9 B and C): We provide this added documentation in order to assure sufficient clarity. The Council welcomes input from AIDD if further evidence is required to ensure that we are properly addressing assurances.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director; Administrative Committee to oversee and report to MTARS Committee

June 2nd Status Update (9B, 9C): No action planned regarding this finding

Response(9) Regarding (D), Conflict of Interest

The California State Council on Developmental Disabilities (Council) is comprised of 31 members; 11 members are agency representatives, 7 members are statewide, or "at-large" and 13 members are from the local area advisory boards.

The regional advisory board members are appointed first by the Governor to the area advisory board and secondly by the Governor to the Council.

For California, the Legislature expressly determined that the planning activities of the Council depend on the direct involvement of Council members familiar with the structure and operation of services and programs for persons with developmental disabilities in areas throughout the state. The Legislature found this necessary due to the expansive geographical size of the state of California and its complexity and diversity. To this end, WIC 4525 expressly exempts Council members from the local area advisory boards from the conflict of interest criteria.

CORRECTIVE ACTION (9 D): Based on the many findings relating to membership policies, as previously reported, the Council has begun to develop legislative language to amend the Lanterman Act. This is intended to result in an appointment process that eliminates the perceived conflict of interest. Currently, geographic diversity is established by having a seat assigned to each of the 13 regional advisory committees. It is anticipated that revisions to the Lanterman Act will preserve the geographic diversity by assuring that there is at least one Council member from each of the geographic areas that encompasses each regional office. The local regional advisory committees will be encouraged to recommend potential candidates to the Council's Membership Committee and directly to the Governor's Appointment Office, but

the Governor retains authority to select the Council membership.

STAFF ASSIGNED: Mark Polit, Deputy Director for Policy and Planning for legislative action; Staff Counsel to confer on Conflict of Interest provisions; MTARS Committee to oversee.

TIMELINES: As previously noted, legislation is expected to be effective January 1, 2015.

June 2nd Status Update (9D): The revisions in law through AB 1595, discussed above, have moved from the Assembly to the Senate. There are no planned amendments to AB 1595 relevant to this corrective action, except that regional offices and advisory committees will no longer be required.

RESPONSE TO K (Staff Assignments): Our response is addressed under **Response 8**, previously cited. It should again be noted that the Council’s activities with respect to serving the residents of state developmental centers is documented in the State Plan under Objective 2d; thus staff who implement the CRA/VAS contract are carrying out work that is consistent with the Council’s role and mission, with leveraged state funds.

IV.2 State Plan Implementation	2013 MTARS Finding(10)
<p>The Council shall implement the State Plan by conducting and supporting advocacy, capacity building, and systemic change activities Sec.125(c)(5)</p>	<p>The Council’s 5-year plan implementation does not promote advocacy, capacity building, and systemic change at the <u>state level</u>. As discussed above, the review team heard more about the two state funded projects implemented by the Area Boards. Since so much attention was paid to the two state funded projects, the review team did not hear about a coherent set of activities implemented by the Council at the <u>state level</u>.</p> <p>The Council is providing direct services through the two state contracts. This type of activity is outside the purview of the Council’s responsibilities and appears to overlap with P&A functions.</p>

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (10): The Council believes it is in compliance with this provision of Sec.125(c)(5).

The review team focused a great deal on the relationship between the Council’s local offices and the Council. As such, we did not fully explore our state level work on advocacy, capacity building, and systemic change. Apparently, the Council and its staff did not adequately communicate the state level work the Council performs. We will discuss some of this information below and add information on activities since the review team has visited.

In 2013, the Council sponsored AB 1041, Employment First Policy, and played a major role in SB 468, Self-Determination, a bill sponsored by Disability Rights California and Autism Society of Los Angeles. On October 10, 2013, Governor Brown signed both bills into law, creating a turning point in how California delivers services and supports to people with IDD. Combined, these bills may be the most significant

change in California law affecting people with IDD since the passage of the Lanterman Act in 1969. These bills are fundamental to the purpose of the DD Act in promoting self-determination, independence, productivity, and integration and inclusion in all facets of community life. Also, as the DD Act envisioned, the Council worked very closely on both bills with some of our federal partners (DRC on SB 468 and the Tarjan Center, UCLA, on AB 1041).

With respect to state-level capacity building, for example, the Council worked with self-advocacy leaders to establish the Statewide Self-Advocacy Network (SSAN). The SSAN is supported by the Council, but will eventually be an independent 501(c)(3) organization. It is comprised of representatives from each of the 13 regions, the Council's Self-Advocacy Advisory Committee, each of the four federal DD partners, the California Foundation for Independent Living Centers, and People First of California. This is a dynamic group of self-advocacy leaders from around the state that is focused on influencing state level policy and building self-advocacy capacity and leadership at the local level.

Other examples of state level capacity building would include our sponsorships of major statewide conferences, an annual major contribution to the Youth Leadership Forum, which trains self-advocacy leaders of the future, and the Council's Program Development Grants.

With respect to state level advocacy, the PPRs submitted annually contain significant information on the extent of state level advocacy. Since the review team visited in January, the Council wrote 308 letters (including 240 to state legislators, 10 to the Governor, and 57 to the California Congressional Delegation and US Senators). In addition, the Council had over 145 legislative, Congressional and administration meetings.

Besides AB 1041, Employment First Policy, the Council sponsored two other bills: (1) The Council worked closely with Autism Speaks to co-sponsor SB 163, which sought to protect the rights of families to be reimbursed for insurance co-pays and deductibles for autism therapies approved by the state. That bill was defeated. The Council will continue to work with autism advocates to seek protection for those rights. (2) The Council also co-sponsored SB 577 which would create a new service category for job exploration and discovery. This bill is an important part of the strategy to remove barriers to the employment of people with developmental disabilities in integrated competitive employment. This was a two-year bill, passed out of the Senate in January 2014, and is now being considered by the Assembly.

At the federal level, the Council opposed the proposed sequestration cuts to health and human services and wrote the entire California Congressional delegation, informing them of the potential impact on individuals with developmental disabilities and their families. The Council also opposed proposed federal cuts to federal health programs, such as Medicaid. Council staff visited and spoke with staff and members in 15 congressional offices.

With respect to systems change, the Council has been a leading advocate for the last six years for making integrated competitive employment an option for people with developmental disabilities in the state. For example, during this time, the Council sponsored six pieces of employment related legislation. Three of these were signed into law: (1) SB 1270 (2006) authorized the Council to conduct extensive public meetings with stakeholders, consumers, and family members to recommend to the Legislature and Governor steps to increase integrated employment options and more individualized day services. (2) In

2009, at the Council's request, AB 287 established the Employment First Committee within the Council that serves as a forum for all relevant departments and stakeholders to meet and develop strategies to improve employment outcomes. (3) In October of 2013, the Governor signed AB 1041, the Employment First Policy. In part because of the Council's work over the years, this Employment First Policy was not just an executive order or a statement by the department, but represents a consensus view of the DD stakeholder community.

Also with respect to systems change, the Council has played a key role, since 1998, in development of the Self-Determination option in California. The area boards have been partners with the regional centers in implementation of the five Self-Determination pilots. They staffed the pilot advisory committees at the local and state level. The Council contributed significantly to the first Self-Determination bill in 2011 and to the legislation that was signed into law this year.

Beside these highlights, the Council is active in most of the key state level policy forums affecting people with IDD. The Council is a lead agency in California Employment Consortium for Youth (CECY), a project of national significance funded by AIDD. The Council convenes the Employment First Committee which complements the work of CECY in providing a forum for key stakeholders and departments to address barriers to employment of people with IDD. The Council was recently represented on the Secretary's "Future of the DCs Task Force", which made recommendations supported by the Administration for the downsizing and closure of the DCs and the development of a new generation of community services for people with high behavioral needs. We are represented on the ODEP Vision Quest state team comprised of key department, academic and advocacy representatives. We participate in a cross-disability collaboration between leaders of the Tarjan Center and Councils and Committees with statutory responsibilities for the employment of people with disabilities. We participate in stakeholder workgroups convened by the department on state budget and, currently, Self-Determination. We have participated for the last 12 years in broad stakeholder collaborations within the I/DD advocacy and stakeholder communities (The Community Imperative Strategy Group and the Lanterman Coalition). And finally, the Council has a strong internal policy structure with a Deputy Director of Policy and planning, policy support staff, and a Legislative and Public Policy Committee that usually meets 8 or 9 times per year and makes recommendations to the Council on legislation, policy, regulation and state budget issues.

While there is already a great deal of activity, we strive to have a much larger influence and more effectively drive state level policy on a broader scale. We are also increasing the exchange of information between headquarters and regional offices. We appreciated the MTARS' team suggestions for improved work with the regional offices.

Our state level policy work is inextricably linked to and benefits enormously from the Council's regional presence. The Legislative and Public Policy Committee (LPPC) and the Council benefit from the regional offices and regional advisory committees' close connection to their communities. What is happening locally informs our decision making at the state level.

The Council also benefits from our reach into local communities when advancing policy change. For example, the information alerts distributed by the Council are typically forwarded on through our local office databases to what is ultimately a broad statewide network of local/regional/minority organizations and their contact lists. This multiplier effect would indicate that a Council information alert on a topic of

high interest would reach at least 30,000 individuals. In 2013, the Council's work on both Employment First Policy and Self-Determination legislation helped contribute to a huge outpouring of support for these bills, and ultimately, their being signed into law.

Finally, once new policy is adopted, it is necessary to ensure implementation of that policy through information dissemination; training people with developmental disabilities, families, professionals and local regional centers; monitoring the implementation in local communities, where the polices are being implemented; and advocating for corrective actions when implementation lags.

Please refer to **Attachments M** and **N** for further information on the Council's self-advocacy activities and its most recent Employment First Report, which is disseminated to the Legislature and the Governor.

CORRECTIVE ACTION (10): The newly reconstituted State Plan Committee, which will hold its first meeting by June 30, 2014, will develop a template that captures data on state plan implementation at both the local and statewide level. It will be distributed on at least a quarterly basis to the full Council and utilized to complete the PPR.

STAFF ASSIGNED: Mark Polit, Deputy Director for Policy and Planning; Staff planning analyst; State Plan Committee

TIMELINES: Starting no later than June 30, 2014 and quarterly thereafter.

June 2nd Status Update (10): The Bylaws were revised by the Council on May 29 to establish a State Plan Committee. Among its responsibilities, the committee will advise the Council on the collection and reporting of information on unmet needs, priorities and emerging issues and advise the Council on the implementation and reporting of progress on the State Plan. The Council chair has already selected the chair and membership of the State Plan Committee (attached).

The first meeting of the State Plan Committee will be June 23. This meeting will include training by Sheryl Matney of NACDD on the responsibilities of the Council with respect to state plan development, tracking implementation, and amending the state plan. The focus will be on where we are currently in the cycle: Gathering data on and ensuring adequate plan implementation. The State Plan Committee will begin its review of how the regional offices contribute to plan implementation, including the gathering of data and the Council's review of that data. This is the first step in developing more strategic control of implementation of the State Plan.

As discussed under status update (8), the MTARS Committee is charged with overseeing the implementation of the MTARS Corrective Action Plan and making recommendations to the Executive Committee and the Council related to the CAP. Therefore, The MTARS Committee will monitor the work of the State Plan Committee and independently review in depth the current State Plan and the controls over implementation of the State Plan.

V. EVALUATION AND REPORTS

Program Performance Report	2013 MTARS Finding(11)
<p>The Council annually prepares and transmits to the Secretary a report containing information about the progress made in achieving the goals. The report includes:</p> <ul style="list-style-type: none"> • Extent to which each goal of Council was achieved. Sec.125(c)(7)(A) • Description of strategies that contributed to achieving goals. Sec.125(c)(7)(B) • Extent to which each goal was not achieved, describes factors that impeded goal achievement. Sec.125(c)(7)(C) • Separate information on self-advocacy goal. Sec.125(c)(7)(D) 	<p>Overall the Council’s Program Performance Report does not specifically describe how each Area Board is contributing to State Plan implementation. Because there are 13 regional offices implementing different parts of the Council State Plan, it is difficult to determine how State Plan achievement is being measured and evaluated.</p> <p>Some Area Boards referenced using "mini-plans" to document which parts of the Council State Plan they were implementing. Other Area Boards did not provide evidence of having "mini-plans". Without consistent use of Area Board "mini-plans" or some other tool it is unclear how the Council can assess progress made in achieving goals.</p>

California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (11): The State Council funds 13 regional offices throughout the state. Each office has program staff that offer ongoing outreach, education, training and technical assistance to their local community. These activities are aligned with the Developmental Disabilities Act and are vital in furthering the objectives of the State Plan. The Council provides ongoing monitoring of the regional offices to ensure their activities correlate to the implementation of the State Plan.

The Council is cognizant that it is the Council’s State Plan, not the Area Boards’. With a broad ambitious State Plan and many staff throughout the state implementing it, the compiling of data for the Program Performance Report is challenging. We have been further hampered in that the position of Planning Specialist that would assist in coordination of this effort has been vacant for two years.

For the 2012 PPR, California used DD Suite for the first time. All program staff were given access to DD Suite and each staff entered activity narratives directly; however, staff were not held to a specific schedule for reporting activities and outcomes. As a result, the PPR data lacked continuity and cohesion. This year the Council developed an Activity Form, which is a tool to achieve consistency in reporting progress on State Plan-related activities. All program staff now use the Activity form for reporting on each distinct activity. The Activity Reports are turned in to the Deputy Director for Policy and Planning on a bimonthly basis (per the timeline structure of DD Suite) and data is entered into DD Suite by one individual. This approach has resulted in a far more cohesive PPR. It has also resulted in a far more accurate document, demonstrating even better outcomes.

While the PPR is a comprehensive report of the Council’s overall performance in implementing the State Plan, the individual Activity Forms provide the more specific data and document the details on how each objective is being implemented. The Activity Forms tell the Council what each regional office is doing to implement the State Plan. The State Plan Committee will be able to use the Activity Forms to better assess

the performance of each regional office and the Council overall in implementing the State Plan. This in turn will also permit the Council to do more accurate budget planning and grant planning to fill the gaps in achieving outcomes. Please see **ATTACHMENT O** for a sample of several Activity Forms and **ATTACHMENT P** for the 2013 PPR.

CORRECTIVE ACTION (11): The Council had a Strategic Planning Committee to oversee the development of the State Plan and the ongoing progress in implementing the State Plan. When the Planning Specialist position became vacant two years ago, however, the Strategic Planning Committee became inactive. In 2013, the Council took steps to reinstate a re-named State Plan Subcommittee; however, at this point it has not yet convened. The Council Executive Director is in the process of filling the Planning Specialist position, having identified a qualified candidate to fill the position of Planning Specialist on January 23, 2014. It is anticipated that the individual will begin her position on or around April 1, 2014. The Planning Specialist will be responsible for training program staff in reporting obligations and ensuring that the Council is kept abreast of progress made in implementing the State Plan. The State Plan Committee will be charged with reviewing the individual Activity forms and based on that data, developing a matrix that illustrates the Council's progress in implementing the State Plan. The chart will be provided to the Council at least quarterly. The information will be used by the Program Development Committee (PDC) to assist in determining priorities for grants. It will be used by the Administrative Committee to help guide fiscal priorities.

STAFF ASSIGNED: Mark Polit, Deputy Director for Policy and Planning who will supervise the Planning Specialist; MTARS Committee to oversee.

TIMELINES: The State Plan Committee will meet beginning no later than June 30 2014 and will convene at a minimum, quarterly. The Chair will appoint the members of this Committee no later than April 1, 2014.

June 2nd Status Update (11): The Bylaws were revised by the Council on May 29 (see attached) to establish a State Plan Committee. Among its responsibilities, the committee will advise the Council on the collection and reporting of information on unmet needs, priorities and emerging issues and advise the Council on the implementation and reporting of progress on the State Plan. The Council chair has already selected the chair and membership of the State Plan Committee.

The first meeting of the State Plan Committee will be June 23. This meeting will include training by Sheryl Matney of NACDD on the responsibilities of the Council with respect to state plan development, tracking implementation, and amending the state plan. The focus will be on where we are currently in the cycle: Gathering data on and ensuring adequate plan implementation. The State Plan Committee will begin its review of how the regional offices contribute to plan implementation, including the gathering of data and the Council's review of that data. This is the first step in developing more strategic control of implementation of the State Plan.

The candidate recommended by the Council's executive director for Planning Specialist was not appointed by the Governor to fill that position. Since the appointment process for a staff position can take significant time, the Council's Acting Executive director advertised on May 23rd for a comparable position through civil service to directly hire an analyst who can fill many of the functions of the Planning Specialist. The posting will close on June 9, and we hope to hire a qualified candidate by the June 23rd meeting of the State

<p>Plan Committee. The Deputy Director of Policy and Planning will then staff the State Plan Committee with the assistance of this analyst. The Planning Specialist position will no longer be critical path for implementation of this corrective action and will be filled at a later time.</p>	
<p>An accounting of the manner in which funds paid to the State for a fiscal year were expended. Sec.125(c)(7)(G)</p>	<p>The Council presented several documents that detailed different aspects of how the federal allotment is being spent, but overall the review team could not determine how the budget is developed and executed and how expenditure data is calculated.</p>
<p>VI. FISCAL</p>	
<p>VI.1 Fiscal Requirements</p>	<p>2013 MTARS Finding(12)</p>
<p>Council has authority to prepare, approve, and implement a budget to fund programs, projects, and activities. Sec125(c)(8)</p>	<p>The Council did not provide adequate evidence on how it developed or implemented its budget to fund programs, projects, and activities. Council members expressed a strong need for more fiscal transparency and training on state versus federal fiscal policy and the Council’s budget development/implementation process.</p> <p>In addition, the Lanterman continues to include language that is inconsistent with the DD Act, posing challenges for the Council to be in compliance with the federal law:</p> <ul style="list-style-type: none"> • The Lanterman Act requires the Council to provide funding to Area Boards. • The Lanterman Act provisions require the Council to hire staff at the deputy director level thereby interjecting a line item in the Council’s budget and limiting its authority to develop a budget.
<p>California State Council on Developmental Disabilities Response</p>	
<p>COUNCIL RESPONSE (12): In this section we address both Sec 125(c)(7)(G): The PPR includes an accounting of the manner in which funds paid to the State for a fiscal year were expended; and Sec 125(c)(8) Fiscal Requirements since both specifically address the Council’s role in developing, implementing and tracking its budget.</p> <p>As the MTARS report later states, at the time of the site visit the Council lacked a Budget Officer (Administrative Service Manager) and unfortunately, the previous Executive Director had provided little budgetary information to the Council. The Administrative Committee was re-established in January 2013 and has met ten (10) times in 2013, nearly monthly. The Administrative Committee’s first undertaking was to develop a 2013 Administrative Work Plan, based on the recommendations of the November 2012 Audit Report from the Department of Health Care Services. Additionally, the Committee ensured that the Council received quarterly expenditure reports in 2013 and approved the Council’s budget for FY 2014.</p> <p>In May 2013, Council members received governance training, which included their obligations to approve</p>	

and monitor the budget, from NACDD technical assistance staff.

At its July 2013 Council meeting, members received training from our Department of Finance (DOF) Analyst on the state budgeting process. Because the California Council implements its State Plan largely through staff activities and because it also retains a network of 13 regional offices, a large proportion of the federal grant is assigned to personnel and facility costs. Since these are largely predictable costs, much though not all, of the budget is necessarily based on historical expenditures. The budget approved by the Council breaks out costs in two categories: Personal Services and Operating Expenses and Equipment. However, the Administrative Committee reviewed a more detailed line item budget. It was the Administrative Committee that examined the Council's allocation of funds to determine how we would absorb the sequestration cut in FY 13 and into the future. The Administrative Committee recommended and the Council agreed that staff vacancies at the local area offices would not be filled.

Additionally, the re-established Administrative Committee receives programmatic and grant information from the Program Development Committee (PDC) that is used to guide fiscal decisions. The Chair of the Administrative Committee also sits on the PDC.

In 2000, California Department of Finance staff devised a cost allocation methodology that would enable the Council to assign costs by state plan goal. That methodology has been reviewed and revised periodically, most recently with the development of the current state plan. The formula is utilized by the state's primary accounting system, known as **Calstars**. As a result, Calstars provides monthly expenditure data, broken out several different ways, including by state plan goal.

For further insight into the Council's efforts to correct identified fiscal weaknesses and inadequacies, please also refer to the attached Fiscal Integrity and State Manager's Accountability Act report (FISMA Report). The FISMA report is a required biannual report of California state departments to examine the adequacy of the agency's system of internal controls.

As previously stated, the Council is pursuing legislation that will bring state law into compliance with the federal DD Act. This will include revised language that removes any provision that interferes with the Council's autonomy in establishing its budget.

ATTACHMENT Q: Administrative Committee Roster; **ATTACHMENT R:** Administrative Committee packets of January 2013, February 2013, March 2013, April 2013, June 2013, July 2013, August 2013, October 2013, November 2013, January 8, 2014, January 22, 2014. Quarterly budget reports and Council's approved 2014 budget (two versions, with and without sequestration cut) are included. **ATTACHMENT S:** November Calstars report; **ATTACHMENT T:** FISMA Report

CORRECTIVE ACTION (12): The Council has made steady progress in establishing the necessary oversight and ensuring that the Council members are well informed about fiscal and budget processes. The Council now receives quarterly expenditure reports, develops and approves the annual budget. Further, the Council recognizes and welcomes that AIDD staff will be providing close supervision of our progress in this area. The Administrative Committee will continue to meet monthly. The Administrative Committee has set the following priorities for its work in 2014:

1. Ensure that all MTARS noncompliance findings of a fiscal/administrative nature are resolved.

2. Take a more active role in developing the Council’s 2015 budget. (Presented at May 2014 Council meeting)
3. Ensure that the Council has a comprehensive Policies and Procedures Manual. (Completion by December 31, 2014)
4. Oversee the process of establishing an MOU with the DSA and evaluating the functions of the DSA. (Evaluation completed by May 2014. MOU completed by November 30, 2014.)

(Refer to Attachment U: 2014 Administrative Work Plan

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director; Mark Polit, Deputy Director of Policy and Planning; Natalie Bocanegra, Staff Counsel; Catherine Blakemore, Disability Rights California; Eric Gelber, Legislative Director, DDS; Kris Kent, Assistant Secretary, DSA; Administrative Committee to oversee administrative activities. MTARS Committee to oversee legislation.

TIMELINES: Ongoing, monthly

June 2nd Status Update (12): On May 29th, the Council approved the 2014/15 State Council budget and the contracts manual. The budget is attached as part of the Administrative Committee agenda of May 27, attached. The Contracts Manual has been previously submitted. The Council adopted the manual with the understanding that staff would make technical changes to the manual. The updated manual will be submitted with the July 1 update.

Staff Counsel is reviewing the status of current procedures and the need for updating or creation of new policies and procedures. The November Council meeting is scheduled to approve a full policies and procedures manual.

The revisions in law through AB 1595, discussed above, have moved from the Assembly to the Senate.

In response to AIDD comments, on May 28, the MTARS Committee voted to amend AB 1595 based on concerns expressed by AIDD on technical assistance calls and in writing on May 27. On May 29, the full Council voted to accept the recommendations of the MTARS Committee (see status update (1)), opening the way to amend AB 1595 to address AIDD comments. A workgroup will draft amendments, as directed by the Council, under the direction of the incoming Council Chair, Molly Kennedy. The drafting workgroup is comprised of Catherine Blakemore (ED of Disability Rights California), Kris Kent (Assistant Secretary of the Health and Human Services Agency), Eric Gelber (Legislative Director of DDS), Mark Polit (SCDD Currently Acting ED), and Natalie Bocanegra (SCDD Staff Counsel). We plan to amend the new language into AB 1595 by the Senate Human Services Committee meeting on June 24.

VI.2 Fiscal Policies	2013 MTARS Finding(13)
<p>Council has policies to carry out appropriate subcontracting activities. Sec.125(c)(8)(A)</p> <p>Council directs expenditures of funds for grants, contracts, interagency agreements that are binding contracts and other activities authorized by State Plan approval.</p>	<p>The Council did not provide adequate evidence of that it has accurate financial accounting and record keeping:</p> <ul style="list-style-type: none"> • At the time of the on-site visit, the Administrative Services Manager position was vacant and the Council did not have a staff person dedicated to managing the Council’s finances.

<p>Sec.125(c)(8)(C) Grantee shall keep records that disclose:</p> <ul style="list-style-type: none"> • Amount and disposition of assistance by recipient • Total cost of project or undertaking in connection with assistance given • Amount of project costs supplied by other sources • Such other records that will facilitate an effective audit <p>Sec.103</p>	<ul style="list-style-type: none"> • The Council could only provide limited information on the Council's fiscal policies during the on-site visit pertinent to the requirements in the DD Act. • The Council experienced fiscal impropriety under the previous Executive Director (Board Resource contract) • The state auditor's findings substantiate the immediate need for financial management systems. (Reference: <i>California Department of Finance Management Letter dated August 17, 2012</i>)
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California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (13): The Council agrees that these findings accurately describe the Council in January 2013, but has since taken a number of strong steps to rectify that situation. We believe that the Council is now on a far stronger fiscal footing and that our policies and practices are transparent to the members, the public, and our business associates.

In July 2013 the Council was able to hire a new Budget Officer (the delay was due to legal procedures associated with the previous budget officer) She has been working closely with Department of Finance staff and our accounting colleagues at the CDSS.

Immediately following her appointment as Acting (now Interim) Executive Director, Ms. Newton sought and received approval from the Council to enter into an Interagency Agreement for the California Department of Health Care Services Financial Audits Branch (FAB) to expand upon the Department of Finance Management Letter's findings, issued August 17, 2012. (Note: Department of Finance (DOF) staff were unavailable to conduct the follow-up.) The DSA was instrumental in securing the services of the FAB audit staff. Specifically, the request was for the audit team to examine all of the Council's practices around contracting and procurement and to provide recommendations. Those recommendations became the basis for an **Administrative Work Plan** which staff has been implementing throughout 2013 and Council has been overseeing, through the Administrative Committee. The Administrative Committee regularly reports to the Council on our progress.

In December 2013, staff completed a draft **Contract and Purchasing Manual** that to a large degree is based upon the manual utilized by the Department of Social Services. The Manual focuses on the Council's procedures for contracting and procurement. The draft Manual was reviewed by the Administrative Committee in January 2014. A second draft will be presented at the February 27, 2014 Administrative Committee meeting. It is anticipated that the Contract and Purchasing Manual will be one element of a more comprehensive Policies and Procedures Manual to be developed throughout 2014. Target completion date: December 31, 2014. The Council does continue to be hampered by staff management vacancies, especially that of the Chief Deputy for Administration. We have been assured that the Governor's Appointment Office will cooperate with the Council's Interim Executive Director in filling these positions expeditiously during this transitional period while legislation is pending to remove the Governor's hiring authority.

Please see **ATTACHMENT V:** Department of Health Care Services Audit Report and **ATTACHMENT W:**

2013 and 2014 SCDD Work Plans and **ATTACHMENT X: SCDD Draft Contract Manual**

CORRECTIVE ACTION (13): The Council is advertising for a Chief Deputy for Administration (advertisements have been placed in Monster, Idealist, Opportunity Knocks, Exec Searches, and Capitol Weekly) and a Deputy for Area Board Operations. The Administrative Committee will review a second draft of the Contract and Purchasing Manual in February 2014 and it will go to the Council for review and approval thereafter. As opportunities arise, administrative staff are attending contract development and oversight classes. For example, the contract analyst is registered for a two day class titled “Monitoring Grants and Cooperative Agreements for Federal Personnel” in April 2014.

STAFF ASSIGNED: Mike Clark, Interim Executive Director and Administrative Committee

TIMELINES: Refer to Corrective Action above

June 2nd Status Update (13): The contracts manual was approved by the Council on May 29. The Contracts Manual has been previously submitted. The Council adopted the manual with the understanding that staff would make technical changes to the manual. The updated manual will be submitted with the July 1 update.

The Council Acting Executive Director and the incoming Interim Executive Director interviewed and has requested that the Governor’s Office move forward with the appointment of a qualified candidate for the position of Chief Deputy. We are hoping for an appointment in the beginning of June. Contract and procurement staffs have continued to upgrade their skills through classes offered by the Department of General Services. In the last year, they have attended classes and workshops on: Basic Acquisition Certification Program, Acquisitions under \$5,000, Evaluation Criteria, Documentation, and Statement of Work.

VII. DESIGNATED STATE AGENCY

VII.2 Responsibilities of DSA

2013 MTARS Finding(14)

- Receives, accounts for, and disburses funds under subtitle based on State Plan. Sec125(d)(3)(C)(i)
- Provides the appropriate fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, funds paid to the state. Sec125(d)(3)(C)(ii)
- Keeps and provides access to records as Secretary and Council may determine necessary and timely financial reports regarding status of expenditures, obligations, and liquidation by agency or Council, and use of Federal and non-Federal shares.

As mentioned above the Council’s recent experience with fiscal impropriety under the previous Executive Director (Board Resource contract) and the state auditor’s findings substantiates the DSA’s need to establish processes, policies, and procedures that promote:

- Accurate receipt, accounting, and disbursement of funds
- Provision of appropriate fiscal control and fund accounting procedures necessary to assure proper disbursement of, and accounting for, funds paid
- Access to records as the Secretary and Council may determine necessary
- Timely development and dissemination of financial reports regarding status of expenditures, obligations, and liquidation by agency or Council,

<p>Sec125(d)(3)(D)</p> <ul style="list-style-type: none"> • Provides required non-Federal share. Sec125(d)(3)(E) • Assists in obtaining appropriate State Plan assurances and consistency with state law. Sec125(d)(3)(F) • Enters into MOU at request of Council. Sec125(d)(3)(G) 	<p>and use of Federal and non-Federal shares</p> <p>The Council does not have a Memorandum of Understanding with the DSA.</p> <p>There was no evidence that the Council has conducted a formal evaluation of the DSA at any point and time.</p> <p>Several Council staff position and DSA functions appear duplicative. Several DSA functions are performed by Council staff at the central office, specifically in the areas of: contracting, budget, fiscal, and personnel.</p>
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California State Council on Developmental Disabilities Response

COUNCIL RESPONSE (14): The Council Interim Executive Director has met on multiple occasions with the DSA throughout 2013, specifically to discuss DSA functions.

Currently, the DSA is in the process of obtaining final approval from the California Department of General Services on their revised fiscal control and purchasing authority policies and procedures. Based on these policies and procedures, the Council’s legal Counsel has adapted it and developed a Contract and Purchasing Manual policy handbook that establishes procedures to ensure accurate and appropriate fiscal controls. As previously noted, that manual is currently under review by the Administrative Committee. Once approved by the Committee, the Full Council will review and approve, anticipated at the May 2014 Council meeting. (Please refer to **ATTACHMENT X**)

Council staff members have already attended several trainings regarding their fiduciary obligations as well as proper and standard accounting procedures that will ensure accuracy and dependability in accounting and disbursement of funds.

All policies and procedures ensure that while staff is responsible for the daily work, the full Council retains control over authorizing expenditure of funds in accordance with federal laws, rules, and State Plan goals and objectives.

Neither the Council nor the DSA perceive duplication of Council staff duties with DSA functions. The Department of Social Services’ Interagency Agreement (Attachment K) identifies DSA functions in considerable detail. We have attached the Duty Statements for our Contract Analyst, Contract/Procurement Analyst, Personnel Specialist, Budget Officer, and Information Systems Specialist. While it is certainly true that those positions correspond to DSA functions, Council staff coordinate duties with DSA (DSS) staff. They are complementary, not duplicative. For example, the Council’s Personnel Specialist is the first line contact with our 65 (federally funded) employees. She handles duties associated with changes in benefits, salary, work hours, promotion or adverse actions. DSA staff have access to the state government mainframe and State Controller’s Office and therefore are charged with inputting the transactional changes. Additionally, there are no Council staff who carry out accounting functions. Without direct access to Calstars, the state’s multimillion dollar accounting system, we depend on DSS to handle these functions in a more cost effective manner than we could.

ATTACHMENT K: DSS Interagency Agreement; ATTACHMENT Y: FIVE (5) DUTY STATEMENTS

CORRECTIVE ACTION (14): The Council agrees that it will develop and enter into a Memorandum of Understanding (MOU) with the DSA during calendar year 2014. This effort will be coordinated by the Administrative Committee. The DSA is represented on the Administrative Committee by Kristopher Kent, Assistant Secretary, Health and Human Services Agency. The Council itself will approve the MOU and it will be signed by the Chairperson.

The Council agrees that it will conduct a formal evaluation of the DSA during calendar year 2014 again through the Administrative Committee. It should be noted, however, that Council management has met periodically with DSA staff to address deliverables, timelines, best practices in IT support and communication, among other issues.

STAFF ASSIGNED: Dr. Mike Clark, Interim Executive Director, and the Administrative Committee

TIMELINES: Review current DSA functions; review sample MOUs from other states by April 2014 Administrative Committee. Draft MOU and meet with DSA to discuss review by July 2014 Administrative Committee. Meet with DSA and discuss/revise as needed draft MOU by September 2014. Execute and sign MOU at November 2014 Council meeting

June 2nd Status Update (14): On May 29, the Council accepted the review of the DSA, completing that portion of the corrective action. On May 27th the Administrative Committee began its review of the MOUs with DSAs from other states (See attached Administrative Committee packet of May 27, 2014).



CALIFORNIA STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

CONTRACTING AND PURCHASING POLICIES AND PROCEDURES

Adapted from the:

Demystifying Contracts Handbook

Produced by the California Department of Social Services Contracts and Financial
Analysis Bureau

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TYPES OF CONTRACTUAL AGREEMENTS

A contract is a legally binding agreement between the California Department of Social Services (CDSS) and another entity, public or private, for the provision of goods or services. A contract sets forth the terms, conditions, and the statement of all work to be performed.

Proper classification of contracts is necessary as a first step in determining which solicitation process is appropriate for the contract, and what elements are required to be in the contract. There are several types of contracts and services.

1. Interagency Agreement (IA)

An interagency agreement is an agreement between two or more state agencies.

Examples include: An IA between SCDD and the Department of Developmental Services (DDS) to provide quality assurance activities.

2. Consultant Services

Defined as a contract for services of an advisory nature, which provides a recommended course of action or personal expertise. The contract calls for a "product of the mind" rather than the rendition of mechanical or physical skills. A "product of the mind" may include anything from answers to specific questions to the design of a system or plan.

Examples of consultant services contracts include: Legal services, expert witness services, training and technical assistance, strategic planning, etc.

3. Services Contract (Non-Consulting)

A services contract is a contract in which the contractor provides a duty or labor, of a non-consulting nature, and is usually a rendition of mechanical or physical skills.

For example: janitorial services, moving services, shredding services, and printing services.

4. Subvention Services

To be classified as a subvention services contract, the contract must:

a) provide assistance to local governments and/or aid to the public; and b) directly or through an intermediary, such as a nonprofit organization. Subvention services contracts are exempt from the competitive bidding requirements.

Examples: A contract with California Youth Connection to provide technical and outreach services to foster youth; a contract with the San Diego State University Foundation to provide training to social workers on child welfare services.

NOTE: The Department of General Services (DGS) has determined that grants provided by the SCDD do not qualify under the subvention agreement contract exception.

5. Public Works

An agreement for the erection, construction, alteration, repair, or improvement of any state-owned structure, building, road, or other state improvement of any kind.

Examples include: Electrical/cabling services and assembling modular furniture in State offices.

6. Information Technology (IT) Services

Services performed directly on or pertaining to electronic technology and telecommunications hardware, firmware, and software including but not limited to computerized and auxiliary automated information handling, system design and analysis, data conversion, computer programming, information storage and retrieval, voice, video, data communications, requisite system controls, simulation, electronic commerce, maintenance and repair, software licensing and support, training, and all related interactions between people and machines. Also included are services of an advisory nature requiring a recommended course of action or personal expertise as it pertains to an information technology project and information technology support functions.

SCDD has competitive purchasing authority to conduct bids for IT Services up to \$4,999.99. We also have purchasing authority to utilize the California Multiple Award Schedules (CMAs) and Master Agreements/Master Service Agreements.

7. California Multiple Award Schedule (CMAS) Contracts

The CMAS Program was established in May 1994 to enable State Agencies and local governments to obtain IT (and a limited number of non-IT services) without the need for DGS to issue a specific bid. The objective of the CMAS Program is to streamline purchases of goods and services by removing repetitive, resource intensive, costly and time consuming bid processes. CMAS vendors are approved by DGS, along with a description of the specific services and the maximum rates allowable for the services. Vendors interested in working with the State must apply directly to DGS. In order to obtain services from an authorized CMAS vendor, SCDD issues a request for offer (RFO), which results in a CMAS contract.

8. Memorandum of Understanding (MOU)

The DGS State Contracting Manual defines a memorandum of understanding as "a contract". For SCDD, the MOU usually does not contain dollars or fiscal provisions. The primary purpose of the MOU is to delineate the roles and responsibilities of the parties. Reimbursement for services are from other established sources such as the county administrative claim.

For example, each SCDD local office with a developmental center in its area has an MOU with that developmental center that outlines their individual roles and responsibilities. The fiscal provisions are outlined in the IA between the SCDD and DDS.

VARIOUS COMPONENTS OF THE BIDDING PROCESS

A. *Types of Bidding Processes*

The most frequently used types of bidding process in SCDD are the Request for Proposals (RFP) Primary and RFP Secondary and Master Agreements. However, other processes may be used as follows:

1. Request for Proposals (RFP)

The RFP is used to obtain complex services in which professional expertise is needed and bidders may utilize different methods and approaches during performance. Services may be complex, uncommon and/or unique.

An RFP seeks an answer to the following: "Here is what we wish to accomplish. Here are the qualification requirements, performance specifications, time frames, and other requirements that must be met. Describe how you would accomplish the job for us and for how much."

There are two types of RFPs:

RFP Primary and RFP Secondary - The major difference between the two is the way in which the winner is determined. In the RFP Primary, the contract is awarded to the responsible bidder with the lowest costs. In the RFP Secondary, the contract is awarded to the responsible bidder with the highest scored proposal.

a. RFP Primary

Bidders responding to the RFP Primary must submit their information in two envelopes. The written proposal describing the services and how they will be delivered will be placed in one envelope and the costs for providing the services must be sealed in a separate envelope. The sealed bids will be publicly opened at a later date.

Upon receipt of proposals, the Contracts Analyst will conduct an administrative review to determine if the proposals conform with the format and content requirements specified in the RFP, such as a table of contents, the correct number of copies, a signed Statement of Intent to Meet RFP Requirements, etc. The Contracts Analyst will also check that the costs information is sealed in a separate envelope.

Failure to meet administrative requirements will deem the proposal to be nonresponsive to RFP requirements and disqualified for further consideration.

Proposals meeting administrative requirements are given to the Evaluation Committee for scoring. The Program Development Committee or Administrative Committee, as appropriate, shall serve as the Evaluation Committee in accordance with these policies. The Evaluation Committee will compare the proposals and bidders for conformance to RFP requirements such as minimum experience, professional qualifications, organizational structure, staffing and expertise, service methodology, timeframes, etc., and assign a score for each category. As stated in the RFP, proposals must obtain a minimum score, usually 80 percent, from the Evaluation Committee in order to qualify for the bid opening. All proposals with a score of 80 percent or higher will have their sealed bid publicly opened at the time and place specified in the RFP. The responsible bidder with the lowest costs will be awarded the contract, regardless of the score given by the Evaluation Committee on the proposal.

b. RFP Secondary

The RFP Secondary asks Bidders to submit all their information in one package. There is no need for a separate envelope shielding the costs information since there is no public bid opening.

The Contracts Analyst conducts an administrative review of all proposals received for responsiveness to RFP format and content requirements and gives them to the Evaluation Committee. The Evaluation Committee shall be the Program Developmental Committee or the Administrative Committee, as appropriate. The Evaluation Committee will compare the proposals and bidders for conformance to other RFP requirements such as minimum experience, professional qualifications, organizational structure, staffing and expertise, service methodology, timeframes, etc., and assign a score to each category. The costs for services are also scored in accordance with the formula specified in the RFP. Upon completion of the evaluation process, the contract is awarded to the bidder with the highest scored proposal.

2. Solicitation for Offers (SFO)

The SFO is used to obtain services off the California Multiple Award Schedules (CMAS). CMAS vendors have been preapproved by the Procurement Division of the Department of General Services and may be utilized by state agencies without formal bids. For vendor listings, see: www.pd.dgs.ca.gov

SCDD may issue a SFO that specifies the minimum service requirements and what information the CMAS vendor must provide for consideration of contract award. Typically, the CMAS vendor submits a narrative describing their qualifications, what services they will provide, along with the personnel and corresponding hourly rates.

For SFO's, the award is determined by "best value". Depending on the specific service being requested, "best value" can be defined as either lowest price or highest scored offer received. The decision must be clearly identified in the SFO.

3. Invitation for Bids (IFB)

The IFB is typically used to obtain simple, common, or routine services that may require personal or mechanical skills. An IFB seeks an answer to the following: "Here is exactly what we need to have done. Here are the qualification requirements, performance specifications, time frames, and requirements that must be met. How much will you charge us?"

Examples of services utilizing the IFB process are janitorial and moving services.

The bidder specifies the costs for the requested services on the Bid Form, which is included in the IFB. Bidder signs and returns the Bid Form to Contracts Analyst in a sealed envelope by the due date stated in the IFB. Sealed bids are then publicly opened on the due date and a pass or fail determination is made by the Contracts Analyst for responsiveness to IFB requirements. For example, if the IFB specifies a minimum number of years experience providing a particular service, the bidder must have that experience in order to qualify for the bid opening. The award is then made to the responsible bidder with the lowest costs.

4. Master Agreements

Master Agreements (also referred to as Master Service Agreements) are generally Statewide agreements that have been competitively bid and awarded by DGS. Master Agreements may be for IT Services and Non-IT

Services. Each Master Agreement has its own ordering instructions and administrative fee (usually 1 to 2%). Additional information is available on the Department of General Services, Procurement Division website at www.pd.dgs.ca.gov/masters/.

Examples of services available under Master Agreements include unarmed security guards and business and management consulting services such as organization development, strategic planning, and performance measurements and evaluation.

B. Fundamental Rules for Competitive Bids

1. A State Agency may not draft any competitive bidding document in a manner that limits bidding directly or indirectly to any one bidder. (Public Contract Code Section 10339)
2. Services may not be split to avoid the need to advertise or obtain competitive bids. In particular, a series of related services that would normally be combined and bid as one job cannot be split into separate tasks, steps, phases, locations, or delivery times to avoid adhering to a state law, policy, or departmental procedure.
3. Sealed bids (and proposals, etc.) must be received by the time stated in the solicitation document. Bids received after the due date and time are not valid regardless of the circumstances causing the late submittal. If you receive a package requested by a solicitation document, please get it to the Contracts Analyst immediately.

C. Noncompetitively Bid (NCB) Contract

1. A noncompetitively bid contract is defined as one in which only a single business enterprise is afforded the opportunity to provide the specified services and the typical solicitation processes were not utilized. NCB Transactions of \$5,000 or more must be approved by the Executive Director, the full Council and, the Procurement Division of the Department of General Services (DGS). These approvals must be formally obtained and provided in writing before the contract is developed. For services under \$5,000, no NCB justification is required if fair and reasonable pricing has been established and documented. An NCB justification is required if fair and reasonable pricing cannot be established and documented or two bids cannot be obtained.
2. Approvals for an NCB contract transaction require the following documents:
 - Noncompetitively Bid Contract Justification (three page document from DGS), and
 - Request for Exemption from Advertising (form STD. 821).

3. At a minimum, the following questions must be addressed in the documents specified in #2 above:
- Why is the requested service restricted to one supplier? Explain why the acquisition was not competitively bid.
 - Provide the background of events leading to this acquisition. Describe the uniqueness of the acquisition (why was the good/service/supplier or contractor chosen?)
 - What are the consequences of not purchasing the good/service or contracting with the proposed supplier?
 - What market research was conducted to substantiate noncompetition, including evaluation of other items considered?
 - How was the price offered or costs for services determined to be fair and reasonable? Describe any cost savings realized or costs avoided by acquiring goods/services from this supplier.
 - If the NCB request could have been competitively bid but was not due to insufficient time to complete the acquisition process, DGS requires a corrective action plan from the SCDD describing how competitive bids and processing of contracts will be managed.

REQUEST FOR CONTRACT SERVICES

Complete a form 704 - (GEN 704)

A completed form 704 must be submitted to the Deputy Director for Administration.

The GEN 704 consists of three pages.

1. Include the name of the contact person, telephone number, fax number and office number.
2. Indicate the type of request: Is the request for a Procurement/Bid such as a Solicitation for Offer (SFO), Master Service Agreement (MSA), Invitation for Bid (IFB), Request for Proposal (RFP)? Is the request for a contract such as an interagency agreement (IA), standard agreement (SA), CA Multiple Award Schedule (CMAS), memorandum of understanding (MOU), direct pay, or other?

If the request for the contract is to confirm the result of a bid or solicitation, please check the box after "Contracts" and specify the bid/solicitation number.

Fill out the name of the proposed contractor in the contractor information box. Always use the legal name of the contractor. If you know whether or not the contractor is a certified small business or disabled veteran business enterprise, please indicate by checking the yes or no box.

3. Is this an amendment or renewal to an existing service or contract?

If yes, enter the previous contract number and contractor name. If this is an amendment, the contract number to ensure that the right contract file is pulled to verify the contract term and amount prior to writing the amendment.

If this is a renewal to an existing service or contract, please enter the prior contract number to pull the former contract file to help draft the scope of work (SOW).

4. "Contract Term": Enter the proposed start date and ending date of the service period. You will be contacted and told if the proposed term is not realistic or attainable. For example, if the bidding process requires two months and there is only two weeks between the receipt of GEN 704 and the proposed start date.

If the request is to amend the term, enter the original start date and the revised or proposed end date, not the original end date. If the request is for amendments to revise the funding or scope of work and the term is not affected, enter the original end date.

Amendment effective date: Enter the date for which the change (in scope, increase or decrease in the amount of funding, hourly rate, etc.) is to take place. Provide us with your best estimate. The only rule here is that if you are extending the term, the effective date must be prior to the expiration of the original term, i.e., you want to extend the contract for 12 months, from June 30, 2013 through June 30, 2014. The effective date of amendment can be no later than June 30, 2013. If you have multiple actions like amending the term and increasing the funds, the effective date would be the earliest date in which an action takes place. If the contract ran out of money in March, the amendment date would be March and not June to extend the term.

5. Purpose/necessity of contract/amendment (concise description): Provide a brief and concise description of the contract service, e.g., provide development training and quality improvement services to persons with developmental disabilities. Attach the scope of work and budget detail (more information on SOW and budget after we get through the instructions on how to complete the GEN 704). Check the box on whether the service is mandated or not and provide the authority/legislative act. (More information on justification of services in Page 2). Enter the Index Code, PCA, object code (if known).

Funding, etc: Identify whether the funds are State, Federal, or both, and the percentage of each. Check Support or Local Assistance; whether the agreement is a payable or receivable contract or N/A (if an MOU); give us the amount of funds available by each state fiscal year and identify the funding source (budget/redirect, etc.)

6. Required Approvals and Signatures: The following signatures are currently required: Deputy Director for Local Area Offices (if applicable), Deputy Director for Administration and Executive Director.
7. Page 2: Required Justification For Contract Services

Check box on whether the service is mandated or not and provide the authority or legislation.

#1, Briefly describe the services to be provided.

#2, Describe why the services are critical or essential to the Department's mission and goals; Describe expected results or benefits to be achieved.

#3, Describe the consequences if this request for contract is denied.

#4, Describe possible alternatives to contracting.

#5, Describe why services cannot be performed by civil service employees, per Government Code 19130.

The State Constitution generally requires contracting to be limited to those services that cannot be performed by civil service employees except provided for in GC 19130 (a) and (b).

GC 19130(a) allows contracting out of services if the Department can clearly demonstrate that the proposed contract will result in actual overall cost savings to the State.

Standards for use of Personal Service Contracts

A "Personal Service contract" is defined as any contract, requisition, Purchase Order, etc. (except Public Works contracts), under which labor or personal services is a significant, separately identifiable element. The business or person performing these contractual services must be an Independent Contractor and does not have status as an employee of the State. A "cost savings-based Personal Service Contract" is any Personal Service Contract proposed to achieve cost savings and subject to the provisions of Government Code, Section 19130(a).

Before deciding to contract for personal services, as a requestor or initiator of a contract, you must meet one of the following criteria and provide justification to support the selection:

1. 19130(a) Personal services contracting is permissible to achieve cost savings when specific conditions are met. This would require an 11-Point Analysis as required by law for State Personnel Board approval and union review. (This may add an additional 30 - 60 days to the contract process.);

OR

2. 19130(b): Personal services contracting also shall be permissible when any of the following conditions can be met:
 - A.** The functions contracted are exempted from civil service by Section 4 of Article VII of the California Constitution, which describes exempt appointments.
 - B.** The contract is for a new state function and the Legislature has specifically mandated or authorized the performance of the work by Independent Contractors.

C. The services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

D. The services are incidental to a contract for the purchase or leases of real or personal property. Contracts under this criterion, known as "service agreements," shall include, but not be limited to, agreements to service or maintain office equipment or computers that are leased or rented.

E. The legislative, administrative, or legal goals and purposes cannot be accomplished through the utilization of persons selected pursuant to the regular civil service system. Contracts are permissible under this criterion to protect against a conflict of interests or to insure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. These contracts shall include, but not be limited to, obtaining expert witnesses in litigation.

F. The nature of the work is such that the Government Code standards for emergency appointments apply. These contracts shall conform with Article 8 (commencing with Section 19888) of Chapter 2.5 or Part 2.6.

G. State agencies need private counsel because a conflict of interest on the part of the Attorney General's office prevents it from representing the agency without compromising its position. These contracts shall require the written consent of the Attorney General, pursuant to Section 11040.

H. The Contractor will provide equipment, materials, facilities, or support services that could not feasibly be provided by the state in the location where the services are to be performed.

I. The Contractor will conduct training courses for which appropriately qualified civil service instructors are not available, provided that permanent instructor positions in academies or similar settings shall be filled through civil service appointment.

J. The services are of such of an urgent, temporary, or occasional nature that the delay incumbent in their implementation under civil services would frustrate their very purpose.

***Justification Detail Required (Please explain why the above condition applies)

What to Include in a Scope of Work (SOW)

According to the standard contracting format established by DGS, the SOW is specified as Exhibit A in the majority of state contracts. The SOW is a description of the services and work to be performed.

It can be as brief as a paragraph or two, or as lengthy as a book, depending on the type of services and the level of understanding and agreement.

At a minimum and if applicable, the SOW should address the following:

1. Work specifications, requirements
2. Detailed work plan
3. Personnel, staffing
4. Objectives, major task
5. Results, deliverables
6. Timelines, progress reports
7. Evaluation and acceptance criteria

The Scope of Work should contain a clear, precise description of the work to be performed, services to be provided, problem to be solved, or the goals and objectives to be met as follows:

- Describe in realistic terms what the Contractor is to accomplish, including any desired approach to the problem and the specific functions, tasks, or activities that must be performed.
- Identify any practical and policy information, technological requirements or specifications, and legal limitations if any.
- Identify the specific questions to be answered or issues to be addressed.
- Define the manner in which the work is to be done.
- Describe the items to be delivered.
- Specify time schedules, including dates for commencement of performance and submission of progress reports, if any, and date of completion.
- Specify final meeting requirements between Contractor and CDSS when the contractor is to present his/her findings, conclusions, and recommendations (if applicable)
- Specify the format and number of copies to be made of the completed reports or product.
- Describe method of delivery and evaluation criteria for acceptance of service or product.

What to Include in a Budget

The budget format will differ according to the type of contract. The standard budget formats are:

- Lump sum payment upon completion, delivery, and acceptance of service.
- Deliverable-based, i.e., Upon completion of each training session at the contracted rate of \$5,000 per session.
- Monthly reimbursement of services, i.e., \$600 per month for janitorial services or \$50 per month for security alarm maintenance.
- Identification of the consultant(s), classification level and hourly rate of pay, up to the maximum amount of the contract or maximum number of hours within the contract period.
- Detailed line item budget showing personnel detail (names, job titles, monthly rate, percentage of time charged to the contract and employee benefits); operating and equipment expenses (rent, telephone, supplies, etc.) and indirect cost. Detailed line item budgets must include a narrative describing each line item.

***See Attachment 1 for SAMPLE contract agreement

CONTRACT REVIEW PROCESS and TIMEFRAMES

Upon completion of a GEN 704, Request for Contract Services, the following actions take place (10 – 30 working days):

1. Preliminary Review by Deputy of Administration(if statewide or administrative contract) or by Deputy for Local Area Offices (if request has been made by director of a Local Area Office) –
The appropriate Deputy shall review all proposed solicitation documents and timelines for compliance with State Contracting Manual. Once the review is complete, the Deputy of Admin or LAO signs and forwards the proposed contract to the Deputy Director of Administration for secondary review, if applicable.
2. The Deputy of Administration will review all financial documents and assure compliance with State Administration Manual and Department of Finance protocols. Once the review is complete, the Deputy for Administration signs and includes the completed contract packet for review and approval at the next Administrative Committee or Program Development Committee COMMITTEE STILL MUST DETERMINE THE AMOUNT THAT CAN BE APPROVED BY ED OF COUNCIL. ADMINISTRATIVE COMMITTEE DISCUSSED A POSSIBLE 50,000 CEILING (as appropriate.) The Chairperson of appropriate committee shall sign and certify that a full review and action has been taken to approve the contract.
3. The Deputy for Administration submits the complete solicitation package and approvals to full Council for review and final approval.
4. Once the solicitation package is approved by the full Council, advertising and/or bidding process may commence in accordance with the outlined process below depending on type of contract.

Please note: Contracts Analyst does not start writing the contract until full Council approval is obtained.

5. If the scope of work (SOW) and budget information are provided with the GEN 704, the Contracts Analyst will write the contract (5 to 10 working days)
If the SOW and budget information are insufficient, the Contracts Analyst will contact the submitter for additional information.
6. A draft of the contract is sent to the following for concurrent review. The specific reviews are determined by the type of service and amount of funds. (5 to 20 working days)
 - Budget Officer (only contracts containing more than \$20,000 per fiscal year).
 - Budget Officer signs the "Agreement/Summary" (STD215) and attaches funding information on the form
 - Legal Counsel
7. Contract is finalized and sent to Contractor for signature (3 to 10 working days)
8. Contract is signed and returned to SCDD (10 to 20 working days)
9. Once the Contractor's signature has been obtained, the contract is prepared for SCDD Executive Director signature. (3 to 10 working days)
10. If Department of General Services (DGS) review is not required, the contract is fully executed upon CDSS signature. Copies of the executed contract are distributed by the Contracts Analyst.

The following contracts require DGS review and approval: (add 5 to 10 working days)

- Standard Agreements and Interagency Agreements for \$50,000 and above
 - Contracts that limit the contractor's liabilities or require the State to indemnify or to hold the contractor harmless.
 - Contracts that provide for advance payment for services.
 - Any contract containing hazardous activities that may result in substantial risk of serious injury to persons or damage to property, such as transporting of persons by any mode of transportation (also requires automobile and public liability insurance)
11. Upon receipt of the approved contract from DGS, the Contracts Analyst notifies Program and Contractor of execution by sending out copies of the executed contract. (2 to 5 working days)

APPLY APPROPRIATE REGULATIONS AND POLICIES

Disabled Veteran Business Enterprise (DVBE) and Small Business (SB) and Microbusiness (MB) Participation Programs

There are two business enterprise participation programs with which we must interact: Disabled Veteran Business Enterprise (DVBE)

and Small Business (SB) and Microbusiness (MB) Enterprise. State agencies are measured on how well they achieve the mandated goals.

1. DVBE Program

The State of California established the DVBE Participation Program as one way to acknowledge disabled veterans for their service. The intent of the program is to further DVBE participation in State contracting by establishing a DVBE participation goal of at least 3% to ensure a portion of the state's overall annual contract dollars are awarded to certified DVBEs. For more information on the DVBE Program, visit the Internet site at <http://www.pd.dgs.ca.gov/dvbe>

Every year, State agencies are required to submit a report to the Department of General Services on the total dollar amount of purchases and contract awards to businesses and the portion of those awards given to certified DVBEs.

2. Small Business (SB) and Microbusiness (MB) Program

Through the enactment of the Small Business Procurement and Contract Act, a fair portion of the total State purchases, contracts, and subcontracts for commodities and services must be placed with certified small businesses or microbusinesses.

State Agencies have a SB/MB participation goal of 25 percent of the total dollar amount expended annually on purchase and contract awards.

A certified small business or microbusiness or a non-small business who subcontracts with a certified SB/MB firm is entitled to claim a five percent preference in bidding on procurements of goods or services. The five percent preference is used only for computation of the bid amount to determine the winning bidder and does not alter the actual amount of its bid.

PROGRAM RESPONSIBILITIES AFTER CONTRACT EXECUTION

The Contracts Managers shall be as follow: 1) the **Budget Officer** is the authorized SCDD representative responsible for administering administrative/business services contracts and, 2) the Deputy for Planning and Policy (**OR PLANNING SPECIALIST**) is the authorized SCDD representative responsible for administering local and statewide grants/contracts. Each contract manager must evaluate the Contractor's performance and has the following responsibilities:

A. Typical responsibilities

1. After contract is executed, notify Contractor to begin work.
2. Monitor progress of work to ensure that services are performed according to the quality, quantity, objectives, timeframes, and manner specified in the contract; e.g., review progress reports and interim products.
3. Ensure that all work is completed and accepted before the contract expires.
4. Review invoices to substantiate expenditures for work performed prior to approving them. Ensure the invoice contains the contract number, index and PCA codes and is forwarded for payment in a timely manner.
5. Ensure that there are sufficient funds to pay for all services rendered as required by contract. Also ensure that funds are available if there is a change in the funding source specified in the contract.
6. Identify low spending levels and consider partial disencumbrance and reassignment of funds.
7. Notify appropriate SCDD personnel of equipment purchase, if applicable, and ensure property is tagged and inventoried before approving cost reimbursement.
8. Monitor use of Disabled Veteran Business Enterprises (DVBE) subcontractors to ensure attainment of approved contract participation goals.
9. Verify that the Contractor has fulfilled all requirements of the contract before approving the final invoice. The final invoice must include the statement "Final Billing".
10. Invoices must be received by SCDD within 90 days following each state fiscal year, or 90 days following the end of the contract term, whichever comes first.

11. Only for consulting services contracts of \$5,000 or more, complete the Contractor Evaluation form (STD.4) within 60 days of expiration of term.
12. Contact the Contracts Analyst for assistance with contract problems.

B. *Contract Manager "Don'ts"*

The Contract Manager is **not** authorized to take the following actions:

1. Do not instruct the Contractor to start work before the contract is executed and approved.
2. Do not informally change the description or scope of work of the contract without an amendment.
3. Do not direct Contractor to do work that is not specifically described in the contract.
4. Do not sign any Contractor's contract form (their version of an agreement).
5. Do not approve payment to Contractor for any work not performed or performed unsatisfactorily.
6. Do not extend the time period of the contract without an amendment.
7. Do not allow Contractor to incur costs over the amount set in the contract.

C. *Retention of Contract Records*

All contracts involving expenditures of public funds in excess of \$10,000 contain a provision that the contract is subject to the examination and audit of the awarding department or its delegate or the State Auditor for a period of three years after final payment under the agreement. Federally funded contracts have a record retention period of up to five years. When a contract audit is in dispute or litigation, the record retention period is extended.

D. *Record Keeping*

1. Label a file folder for each contract administered and include the following:
 - a. A log sheet to record any activities related to the contract. Each time you speak with anyone about the contract, make a note of the date of the discussion, and the subject matter discussed.

- b. A file guide labeled "Invoices." Retain a copy of all invoices in this file guide.
 - c. A copy of the executed contract and other pertinent documentation, such as a copy of the original contract request and any correspondence related to the contract or contractor.
2. Prepare a spreadsheet of expenditures showing the contract amount encumbered and the deduction for each invoice as it is approved for payment.
 3. Document the notification to the Contractor of the start date. Work cannot begin before contract execution and the effective date of the contract. Although initial notification to start work may be verbal, it should also be documented in writing and a copy placed in the file. This practice protects the agency and the Contract Manager in the event of legal problems or an audit.
 4. Monitor and document the performance and nonperformance of contract services in the contract file. If problems are encountered during the contract term, they should be fully documented. Letters to contractors should outline any problems related to substandard or nonperformance. If applicable, use contract specifications verbatim in the letters so that there is no doubt about the services covered in the contract. All letters about nonperformance should be sent by certified mail with copies to all concerned parties. A copy of the letter should be sent to the appropriate payment unit to eliminate the possibility of erroneous invoice payment.

E. *Oversee the completion of the contract*

To finalize or complete the contract process, contact Contractor to determine whether all invoices have been received. After the expiration of the contract, disencumber any remaining funds by notifying the appropriate payment unit at CDSS and the Contracts Analyst of the amount to be disencumbered. A copy should be retained in the contract file. Please note that if the term has not expired and the contract is still in force, any reduction of funds must be made by contract amendment.

F. *Terminate and/or Disencumber a Contract*

1. A contract may be terminated prior to the end (expiration date) of the term by sending a letter to the Contractor at least 30 days in advance of the effective date of termination.

All contracts contain a provision that permits SCDD to terminate the contract without cause provided adequate notice is given. The termination letter should be signed by the Executive Director and sent to the Contractor by certified mail. Upon release of the termination letter, Contract Manager will send a notice to the requesting program, CDSS Budget Bureau informing them of the termination and to request disencumbrance of funds. No amendment is necessary for terminating contracts.

2. If a contract has already expired, program should send a memo to CDSS Budget Bureau to request the disencumbrance of funds by identifying the contract number and the amount of funds to be disencumbered. The effective date for disencumbrance is the contract expiration date. No amendment is required.

G. Contractor Evaluation

Any consultant services contract of \$5,000 or more requires completion of a Contract/Contractor Evaluation (STD.4) within 60 days after completion of a contract. When a negative finding is made, the Contracts will forward a copy to the Department of General Services and the Contractor within five days of completion of the evaluation.

Contract/Contractor Evaluation forms are not public documents and should not be kept in the contract file.