



EXECUTIVE COMMITTEE
NOTICE/AGENDA

Posted at www.scdd.ca.gov

DATE: Tuesday, August 12, 2014

TIME: 1 – 4 p.m.

LOCATION: State Council on Developmental Disabilities
1507 21st Street, Suite 210
Sacramento, CA 95811

TELECONFERENCE SITE:

Stadium Chiropractic & Sports
2029 W. Orangewood Avenue
Orange, CA 92886

Area Board 13
8880 Rio San Diego Drive
San Diego, CA 92108

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 on August 7, 2014

AGENDA

		<u>Page</u>
1.	CALL TO ORDER	A. Lopez
2.	ESTABLISHMENT OF QUORUM	A. Lopez
3.	WELCOME/INTRODUCTIONS	A. Lopez
4.	APPROVAL OF JUNE MINUTES	A. Lopez 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.*

6. **MTARS/AIDD UPDATE** M. Kennedy 7

7. **SELF-ADVOCACY GRANT** M. Polit

8. **PLAIN LANGUAGE ACCESSIBLE MEETING** M. Kennedy

9. **CONTRACT AND PURCHASING MANUAL** M. Kennedy
A. Carruthers 18

10. **ESTABLISH SEPTEMBER COUNCIL AGENDA** All

11. CLOSED SESSION – PERSONNEL

Pursuant to Government Code 11126 (a)(1) the Council will have a closed session to consider the appointment and/or employment of a public employee.

12. RECONVENE OPEN SESSION

Pursuant to Government Code Section 11126.3 (f) there will be an announcement of any action(s) taken during closed session.

13. **ADJOURN** A. Lopez

DRAFT

**Executive Committee Meeting Minutes
June 10, 2014**

Attending Members

April Lopez
Janelle Lewis
Molly Kennedy
Nancy Clyde
Ning Yang
Ray Ceragioli

Members Absent

Kecia Weller

Others Attending

Dee Anne Holloway
Mark Polit
Nancy Dow
Natalie Bocanegra
Robin Maitino

1. **Call to Order**

Molly Kennedy called the meeting to order at 1:05 p.m. and established a quorum present.

2. **Welcome and Introductions**

Members and others introduced themselves.

3. **Approval of April 3, 2014 Minutes**

It was moved/seconded (Yang/Lewis) and carried to approve the April 3, 2014 Executive Committee minutes as amended.

Amendment

- Add Nancy Clyde as present

4. **Public Comments**

There were no public comments.

5. **MTARS Update**

The Council submitted the June Progress Report to AIDD on June 2nd. Molly Kennedy and Mark Polit distributed the progress report to Councilmembers and staff via email highlighting the May accomplishments.

At the last MTARS Committee meeting, the Committee agreed that there needs to be improvement in the methods used to communicate the progress of the Corrective Action Plan to the Councilmembers, staff, and the community.

The MTARS Committee will be meeting June 25th. One of the areas the Committee will be focusing on over the next few months is the review of the overall structure of the Council and implementing the State Plan.

6. **Meeting with AIDD**

Mike Clark, Mark Polit, and Molly Kennedy will continue to have a monthly leadership calls with Rita Stevens and Jennifer Johnson of AIDD. Additionally, the three will be traveling to Washington D.C. in July for the NACDD Leadership Conference and a face-to-face with AIDD Commissioner Aaron Bishop.

7. **Executive Director Transition**

Molly reported that Mike Clark had been appointed Interim Executive Director at the May Council meeting. Staff has been working on dividing responsibilities to assure that Mike is not working in any area that could raise any conflict of interest issues. Molly further reported that we are still awaiting the appointment of a Chief Deputy Director by the Governor. She is hopeful that the appointment will be final soon.

It was moved/seconded (Lewis/Kennedy) and carried to approve the document titled Authority of Interim Executive Director, that reads as follows:

The following shall apply to the appointment of Mike Clark as the Interim Executive Director of the State Council on Developmental Disabilities:

Section 1

The Interim Executive Director has authority over and is responsible for the development and implementation of all Council policies and activities.

Section 2

Notwithstanding Section 1 above, the Interim Executive Director will have no authority or involvement over contracting and other fiscal matters or Employment First issues.

Section 3

The Interim Executive Director may delegate areas of responsibility and duties to senior and management level staff.

8. **Executive Director Search**

After extensive discussion, the following two actions were reported.

It was moved/seconded (Kennedy/Clyde) and carried to direct staff to contact CPS to discuss the continuation of the Executive Director Search contract.

It was moved/seconded (Kennedy/Clyde) and carried to have staff develop a timeline per the Council's recommendation for the continued search for a permanent Executive Director that shall be disseminated at the July Council meeting.

9. **Organizational Structure**

Mark presented an update to the Committee on would the organizational structure would look like if the Council moved forward with just the Chief Deputy and Deputy of Policy and Planning positions. He suggested that further discussion be given on filling the two remaining positions for Deputy of Area Board Operations and Deputy of Communications.

10. **Report on Council Self-Advocacy Work**

Mary Agnes Nolan and Mark Polit presented materials that went into detail on Self-Advocacy efforts. The functions of the SSAN (the Statewide Self-Advocacy Network) was discussed at length. Mary Agnes was asked to explain her role as the Self-Advocacy Coordinator. Molly requested that the materials that Mary Agnes and Mark presented today be presented to the Council in July.

It was moved/seconded (Kennedy/Lewis) and carried that staff present a plan to the Executive Committee in August on developing plain language materials.

11. **Sponsorship of the APSE Conference**

It was moved/seconded (Kennedy/Clyde) and carried to award \$980 to support the participation of California residents at the 2014 APSE National Conference in California.

12. **Far Northern Regional Center COI Waiver Requests**
It was moved/seconded (Kennedy/Yang) and carried to approve the Far Northern Conflict of Interest Waiver Requests for Susan Hess, Michelle Phillips, and Colleen Ryberg.

Natalie mentioned that the Council may want to revisit this issue to discuss the Council's role in the conflict of interest waiver process.

13. **Council Financial Issue**
This issue was deferred to the Administrative Committee.
14. **Contract and Purchasing Manual**
It was moved/seconded (Kennedy/Lewis) and carried to continue refining the Contracting and Purchasing Policies and Procedures Manual to incorporate feedback provided by staff and Committee members.
15. **Establish July Council Agenda**
The following items, if applicable, will be included on the July Council agenda:
- Closed Session
 - MTARS Update including any updates on AB 1595
 - Self-Advocacy Overview
 - Committee Reports
 - Member Reports
16. **Adjournment**
Molly Kennedy adjourned the meeting at 3:55 p.m.

II. ORGANIZATIONAL ADMINISTRATION

<i>II.1 Staff</i>	<i>2013 MTARS Finding (1)</i>
<p>The Director shall hire, supervise, and annually evaluate the staff of the Council. Sec. 125(c)(9)</p>	<p>The Council Director (not the Governor) should hire Council staff and supervise and annually evaluate them. Instead the:</p> <ul style="list-style-type: none"> • 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

CORRECTIVE ACTION SUMMARY (1): AB 1595 (Chesbro) will give the Executive Director hiring authority for all Council staff.

TO DO: AB 1595 passed into law. No further amendments on this Corrective Action.

AB 1595 Status: AB 1595 is in Senate Appropriations Committee. Final amendments to be made on Senate Floor. The bill then heads to Assembly for concurrence and to the Governor for signature by September 30, 2014. Upon signature, it will go into effect on January 1, 2015.

III. MEMBERSHIP

<i>III.1 Membership policies</i>	<i>2013 MTARS Finding (2)</i>
<p>Membership recommendations solicited by Governor from a broad range of organizational sources including non-state agency members of the Council. Sec125(b)(1)(B)</p>	<p>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.</p>

CORRECTIVE ACTION SUMMARY (2): The Council has amended its bylaws on May 29, 2014, to establish a Membership Committee to recruit, solicit and advise the Governor on appointments to the Council. The Committee met on June 19th and will meet again on July 31st.

TO DO: Membership Committee will, at least quarterly, solicit recommendations for candidates via email, web, and through regional advisory committees and offices. The Chair of the Membership Committee will be charged with submitting the Committee’s recommendations to the Governor’s Appointment Office.

<i>III.1 Membership policies (continued)</i>	<i>2013 MTARS Finding (3)</i>
<p>Members reflect the state’s diverse geographic locations, race, and ethnicity. Sec.125(b)(1)(C)</p>	<p>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.</p>
<p>CORRECTIVE ACTION SUMMARY (3): AB 1595 will preserve the geographic diversity of the Council by assuring that there will be at least one Council member from the geographic area encompassing each of the Council’s regional offices. The current membership of the Council represents the ethnic diversity of the state, but there are several vacancies. The Membership Committee will take the lead in outreach to underrepresented communities and will encourage regional advisory committees to recommend candidates.. Membership Committee held its first meeting in June 2014.</p> <p>TO DO: AB 1595 passed into law. Council had anticipated that all vacancies would be filled by June 2014. However, due in part to three members terming out, there are 6 vacancies. Membership Committee to work with the Governor’s Office to fill vacancies and to encourage regional advisory committees to recommend candidates.</p>	
<i>III.1 Membership policies (continued)</i>	<i>2013 MTARS Finding(4)</i>
<p>The Council has provisions to rotate membership. Sec.125(b)(2)</p>	<p>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.</p>
<p>CORRECTIVE ACTION SUMMARY (4): AB 1595 streamlines the appointment process significantly: Starting a member’s term on the date of their appointment; members can continue to serve while awaiting replacement; and the Governor given authority to appoint any resident from the geographic areas of the regional offices.</p> <p>TO DO: AB 1595 passed into law. Membership Committee continues work with GO to fill vacancies.</p>	
<i>III.1 Membership policies</i>	<i>2013 MTARS Finding(5)</i>
<p>The Council has provisions that allow continuation of membership until a new member is appointed. Sec.125(b)(2)</p>	<p>The Council did not provide evidence of a policy for allowing the continuation of Council membership until a replacement member could be appointed.</p>
<p>CORRECTIVE ACTION SUMMARY (5): AB 1595 clarifies that Council members may continue serving until a new member is appointed. Bylaws will be updated to reflect this change.</p> <p>TO DO: AB 1595 passed into law. Bylaws to be updated in November to reflect this change.</p>	

III.1 Membership policies (continued)	2013 MTARS Finding(6)
<p>The Council has a process to notify Governor re: membership and vacancies. Sec. 125(b)(2)</p>	<p>The Council did not provide evidence of a transparent and effective process to notify Governor regarding membership vacancies.</p>
<p>CORRECTIVE ACTION SUMMARY (6): The Membership Committee will propose to the Council a formalized process to: 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.</p> <p>TO DO: To formalize this process, the Membership Committee will propose revisions to bylaws that will be adopted by Council by November 2014.</p>	
III.2 Membership requirements	2013 MTARS Finding(7)
<p>60% of membership represent individuals with DD in the following categories: Sec.125(b)(3); Sec.125(b)(5)</p> <ul style="list-style-type: none"> • 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) 	<p>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.</p>
<p>CORRECTIVE ACTION SUMMARY (7): With the creation of the Membership Committee 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. 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.</p> <p>TO DO: The Council will conduct ongoing calls to Governor’s office bi-monthly, at minimum, with a follow up email to confirm the meeting. As in prior corrective actions, Membership Committee will work with GO to fill Council vacancies. AIDD will track vacancies through monthly CAP calls.</p>	

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.

CORRECTIVE ACTION SUMMARY (8): On May 29, 2014, the Council re-established the State Plan Committee as a Standing 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.

TO DO (Planning): State Plan Committee will continue its work as described in the corrective action. The State Plan Committee does the bulk of the planning work, while MTARS Committee provides broad direction and oversight.

TO DO (CRA/VAS Contract): Although the Council did not propose a corrective action on the CRA/VAS contract, AIDD indicated they will “continue to review” this area. The MTARS Committee on June 25th decided to seek technical assistance from AIDD and NACDD on this issue. Specifically, since CRA/VAS is a state authorized activity funded 100% with state funds, it may be appropriate to remove these contracted activities from the State Plan. Under that option, the CRA/VAS contract would continue, but not as a state plan activity.

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 the Council, except that the designated State agency shall have the authority</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 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</p>

<p><i>necessary to carry out the responsibilities described in section 125(d)(3).</i></p> <p>Sec.124(c)(5)</p>	<p>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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CORRECTIVE ACTION SUMMARY (9 B and C): No corrective action planned. Technical assistance sought from AIDD, if appropriate.

TO DO: Not applicable.

AIDD: This will be an area of continuing review.

CORRECTIVE ACTION SUMMARY (9D): AB 1595 removes the potential conflict of interest, by eliminating area board representatives on the Council. Instead the Governor may appoint anyone from the region. 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.

TO DO: AB 1595 passed into law.

CORRECTIVE ACTION SUMMARY (9D): No corrective action planned. It is the position of the Council that 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.

TO DO: As noted under corrective action (8), the Council will seek technical assistance from AIDD and NACDD on a possible State Plan amendment to remove the objective for the CRA/VAS.

AIDD: This will be an area of continuing review.

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>

CORRECTIVE ACTION SUMMARY (10, State Level Advocacy): No corrective action is planned.

CORRECTIVE ACTION SUMMARY (10, Planning): The reconstituted State Plan Committee held its first meeting in June. The committee 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.

TO DO: State Plan Committee develops a template for data on local and statewide activities, and provide to Council quarterly.

AIDD: *AIDD will “continue to review local area quarterly reports and Council update reports to determine if the Council is carrying out systems change, capacity building, and advocacy at the state wide level and; gain better understanding of how the local area offices implement the Council plan. We discussed the unclarity between the State Council vs. Area Board roles with Council leadership and the CA P&A Director. These conversations helped build our understanding within state context; however this will continue to be an area of review.”*

CORRECTIVE ACTION SUMMARY (10, CRA/VAS): See corrective action (8).

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>
<p>CORRECTIVE ACTION SUMMARY (11): The Council Executive Director has hired an analyst to fulfill the duties of the Planning Specialist position, including staffing the State Plan Committee. The State Plan Committee will review the individual Activity Report forms, and based on those data develop a chart 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 State Plan Committee to assist in determining priorities for grants. It will be used by the Administrative Committee to help guide fiscal priorities.</p> <p>TO DO: The State Plan Committee will be staffed by the planning analyst, Janet Fernandez. The committee will develop a chart that illustrates the Council’s progress in implementing the State Plan by regions and statewide. The chart will be provided to the Council at least quarterly. The information will be used by the State Plan Committee to assist in determining priorities for grants. It will be used by the Administrative Committee to help guide fiscal priorities.</p> <p>AIDD: <i>The AIDD Project Officer will “continue to review the FY14 State Plan Amendment, local area office quarterly reports, and regional mini plans to inform provide technical assistance on developing effective planning and reporting systems.” This is an area that Council requested technical assistance.</i></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>

VI. FISCAL	
VI.1 Fiscal Requirements	2013 MTARS Finding(12)
<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>CORRECTIVE ACTION SUMMARY (12): AB 1595 deletes requirements for the Council to provide funding to Area Boards and the Governor’s hiring authority for deputy level staffing.</p> <p>The Administrative Committee meets monthly to establish procedures and to ensure that Council members are well informed on fiscal and budget processes. The Council now receives quarterly expenditure reports, develops and approves the annual budget. The Administrative Committee will continue to meet monthly. It has the following priorities for 2014:</p> <ol style="list-style-type: none"> 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 and approved at the 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.) <p>TO DO: AB 1595 passed into law. Administrative Committee to continue its functions, described above. Complete an MOU with the DSA by November 2014. Complete policy and procedures manual by December 31, 2014. This is a technical assistance area requested by the Council</p> <p>AIDD: <i>“This this will continue to be an area of concern to support SCDD translating Lanterman amendments to practice. Heightened oversight will include review of budget development/execution processes and how funds area allocated to the local offices to implement the state plan. Key documents: Quarterly expenditure reports and administrative committee meeting materials.”</i></p>	

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. Sec.125(c)(8)(C)</p> <p>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>	<p>The Council did not provide adequate evidence of that is 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. • 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>)

California State Council on Developmental Disabilities Response

CORRECTIVE ACTION SUMMARY (13): The Council has been hampered in the administrative area by the lack of a Chief Deputy Director, who would oversee administration of the agency and staff the Administration Committee. On June 16, 2014, the Governor appointed, at the request of the Council Executive Director, a new Chief Deputy, Aaron Carruthers. The Council has not yet determined if it will hire a Deputy Director that will oversee regional operations. The Contract and Purchasing Manual was approved on May 29, 2014. Council staff is working with the Administration Committee to develop a comprehensive Policies and Procedures Manual by December 31, 2014.

TO DO: Council adopts an organizational structure for the Council and decides if there will be a Deputy Director over regional operations. Adopt policy and procedures manual in 2014.

AIDD: *“Management staff capacity will continue to be an area of concern and technical assistance.”*

VII. DESIGNATED STATE AGENCY

VII.2 Responsibilities of DSA	2013 MTARS Finding(14)
<ul style="list-style-type: none"> • 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. 	<p>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:</p> <ul style="list-style-type: none"> • Accurate receipt, accounting, and disbursement of funds

<p>Sec125(d)(3)(C)(ii)</p> <ul style="list-style-type: none"> 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. Sec125(d)(3)(D) 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) 	<ul style="list-style-type: none"> 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, and use of Federal and non-Federal shares <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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CORRECTIVE ACTION SUMMARY (14): The previous Interim Director and DSA Assistant Secretary conducted an evaluation of the DSA in April, which was approved by the full Council on May 29, 2014. The Council 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.

TO DO: Complete the MOU with the DSA by November, 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 State Council on Developmental Disabilities (SCDD) 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. State agencies may also include UC or CSU.

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 is 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 summarized below. For information on which bidding process to use, please see State Contracting Manual, Chapter 5 on "Competitive Bidding Methods."

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 to the format and content requirements specified in the RFP, such as a table of contents, the correct number of

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 of 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 Department of Social Services "Request for Contract Services" (GEN 704) and State Council on Developmental Disabilities "Request for Contract Approvals" (GEN 704scdd) forms.

A completed form GEN 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: Chief Deputy Director, Deputy Director of Policy and Planning (if applicable), or Deputy Director of Area Board Operations (if applicable).

On the GEN 704, the "Required Approvals and Signatures to be Obtained by Requestor" section, write in the following:

"See SCDD Form 704scdd for approvals."

Complete and attach the Form 704scdd to the GEN 704.

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 If required, provide information supporting a conclusion of cost reasonableness.

#6, 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 to 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.

In general, 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 and how performance of work is to be documented.
- 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 REQUEST AND APPROVAL PROCESS

The following specifies SCDD's contract review process and provides customary timeframes for completion.

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

1. **Preliminary Review of Request:** Preliminary review shall be conducted as follows:

Deputy Director of Policy and Planning: Review of statewide contract requests related to programs under his or her authority

Deputy Director of Area Board Operations: Review of contract requests made by the Director of an Area Board office.

Chief Deputy Director: Review of all other contract requests

The appropriate Deputy shall review all contract requests, supporting documents and timelines for to determine whether contract request should be submitted for approval and that materials are complete. Once the review is completed, the reviewing Deputy signs SCDD Form 704scdd and forwards the contract request to the Chief Deputy Director for secondary review, if applicable.

If the position of Deputy Director of Policy and Planning or Deputy Director of Area Board Operations is vacant, the Chief Deputy Director will perform the Preliminary Review duties.

2. **Management Review of Request:** The Chief Deputy Director will review each contract request to ensure that required forms and documentation have been submitted and are consistent the State Administrative Manual, Department of Finance protocols, and SCDD policy. Once the secondary review is completed, the Chief Deputy Director signs and forwards the contract request for legal review.

The Chief Deputy Director shall submit all contract requests to SCDD Legal Counsel. Legal Counsel shall review each contract request to identify any request for a contract that may not be legally permissible under State contracting and SCDD rules (e.g., a request for a contract that proposes to use an independent contractor for work that must be performed by a civil service employee). Once legal review is completed, Legal Counsel will sign and return contract request to Chief Deputy Director.

After the reviews by staff have been completed, **[Decision Point: if the proposed contract amount is [\$20,000] [\$50,000] [or a contract is related to programmatic functions]**, the Chief Deputy Director includes the completed contract packet for review and consideration at the next Administrative Committee or State Plan Committee meeting, as appropriate, indicating that staff reviews have been completed. The Chairperson of the Administrative Committee or State Plan Committee, as appropriate, shall sign and certify that a full review and action has been taken to recommend approval of the contract.

3. **Council Review of Request:** The Chief Deputy Director submits the complete contract request package, supporting documentation and certification of Administrative Committee recommendation to the full Council for review and final approval.

If the Chief Deputy Director position is vacant, the Executive Director will perform the Chief Deputy Director review duties outlined above. The Executive Director may delegate these duties to an executive or management employee.

4. **Bidding Process:** Once the contract request has been approved by the full Council, advertising and/or a bidding process may commence in accordance with the procedures outlined below, depending on type of contract, and in accordance with any applicable law and policies including the Disabled Veteran Business Enterprise (DVBE), Small Business (SB), and Microbusiness (MB) Participation Programs.

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

5. **Drafting of Contract:** 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)
All State of California contracting procedures must be followed including use of required forms (e.g. STD 213, STD 215, etc.)
If the SOW and budget information are insufficient, the Contracts Analyst will contact the submitter for additional information.
6. **Review of Contract:** 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 Finalized: Once Executive Director confirms that the contract is legally compliant and that budgeted funds are available, the contract is finalized and sent to Contractor for signature (3 to 10 working days)
8. Contract Signed by Vendor: Contract is signed and returned to SCDD. (10 to 20 working days)
9. Contract Signed by SCDD: Once the Contractor's signature has been obtained, the contract is prepared for the SCDD Executive Director's signature. (3 to 10 working days)
10. Review and Approval by DGS: If Department of General Services (DGS) review is not required, the contract is fully executed upon the SCDD Executive Director's 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. Execution of Contract: 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 contract manager is the authorized representative of SCDD responsible for administering a contract and monitoring the contractor's performance. The contract manager serves as a liaison with the contractor and may perform administrative tasks ranging from the request of contract services through the performance and final payment for completed services. 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.
13. Notify Legal Counsel and the Executive Director of any need for amendment of the contract prior to the contract's expiration.

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 or contacting legal counsel.
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.
8. Do not change the dollar amount of the contract without a corresponding change in the scope of work or other consideration (i.e. something of value) to be received.

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.