

Department of Social Services Responses to POS Contracting Report and Recommendations

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

<u>Agency Specific Recommendations</u>	<u>Status</u>
<p><u>Uniform Chart of Accounts/Standardized Budget Reports:</u> OPM shall coordinate and oversee development of a standardized and more streamlined chart of accounts and budget/reporting templates for mandatory use by all human service agencies. Such process should include OPM staff and contract experts from the human service agencies, as well as consultation with private provider representatives.</p>	<p>Contract and fiscal staff from agencies and OPM Office of Finance developing draft UCOA, budget and reporting format for review and discussion with agencies and private provider representatives, with a targeted final product completion date by the end of the calendar year and an implementation date for contracts commencing 7/1/14.</p>
<p><u>Enterprise Contract Management System:</u> OPM shall evaluate, purchase/design, and implement a web-based contract management system for use by all human service agencies. Such system should support contract assembly, provider interaction, electronic interfacing, and web-based budgeting, data and report submission, budget revisions, and year-end processing.</p>	<p>OPM working with DCF to develop and implement pilot POS enterprise contract management system for future use by all POS agencies. System being pursued already under contract with OPM's Criminal Justice Division. Next step is request funding from IT Infrastructure Bond program to develop project plan and common business requirements.</p>
<p><u>Timeframes Regarding Contract Approvals and Execution:</u> OPM shall require agency accountability regarding timeframes for approving commencement and completion of annual contract development and execution processes. 95% of contracts shall be executed at least fifteen days prior to contract commencement. The process improvements recommended for individual agencies in this report and Lean process improvement techniques, as appropriate, should be implemented to ensure timeliness.</p>	<p>For agencies with low percentages (well below 95%), OPM will monitor business process improvements and encourage use of Lean process where appropriate. OPM will also establish standards regarding the timeframes to be followed by agencies when entering new or extended contracts. Targeted date for standards is summer 2013.</p>

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

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

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

<i>Department of Social Services</i>	
<i>Agency Weaknesses/Issues & Related Recommendations (Strengths listed in POS report and many noted below)</i>	
<i>Weaknesses/Issues to Address</i>	
<ol style="list-style-type: none"> 1. Current Contracts Unit staffing structure is insufficient in FTEs and classification to ensure the programmatic, financial and administrative efficacy of 1101 contracts totaling \$718m. in contracted human services.* (580 POS contracts FY12; \$334,795,605) 2. Fiscal office policies and procedures prevent efficient contract activity distribution among and between agency sections and staff. <i>(Recommendation 1, Recommendation 3, Recommendation 4, Recommendation 6, Recommendation -Lean; System-wide Recommendations 1,2 and 3)</i> 3. CORE-CT access rights are controlled by Fiscal. Contracts & Program staff do not have appropriate CORE-CT privileges to complete or review work efficiently. <i>(Recommendation 5, System-wide Recommendation 2 and 3)</i> 4. Contract spending plan development, contract approval and contract payment process between Programs and Fiscal is cumbersome, redundant, and time-consuming causing untimely delays. <i>(Recommendation 4 and 9; System-wide Recommendation 1)</i> 5. Contracts staff do not receive formal training on contract development, administration and oversight, legal sufficiency of contracts, or oversight of non-profit entity budgets. <i>(Recommendations 2 and 3; System-wide Recommendation 8)</i> 6. Program staff with no financial background or training is solely involved in financial aspects of the contract including review and approval of budget development, budget revisions, and financial reports. <i>(Recommendation 5; System-wide Recommendations 1, 2 and 3)</i> 7. Contract Unit has not maximized consolidation of contract programs. <i>(System-wide Recommendation Number 5)</i> 8. A significant number of contracts are not executed prior to their start dates. <i>(Recommendation 9 and System-wide Recommendation 1)</i> 9. Completion of OPM requests requires data entry by both Programs and Contract Unit. <i>(Recommendation 9; System-side Number 1)</i> 10. Contract Unit staff has no involvement in contractual financial matters including financial report review and budgeting. <i>(Recommendations 1, 5 and 9; System-wide Recommendations 1, 2 and 3)</i> 11. Hard-copy, original financial reports signed by the contractor required for payment. <i>(Recommendations 5 and 9; System-wide Recommendations 2 and 3)</i> 	
<i>Agency Specific Recommendations</i>	<i>Agency Plan, Priority and Timeframe</i>
<ol style="list-style-type: none"> 1. Restructure contracting functions to give Contract Unit staff the responsibility, working with program staff, of financial development/monitoring and Program staff responsibility for Scope of Service development and program monitoring. 	<p>Agency Plan: Staff from DSS Contract Administration, Programs and Division of Financial Management and Analysis participated in a LEAN exercise to improve contract timeliness facilitated by Laurie-Ann Wagner of UCONN Office of Skill Development. <u>The Lean Workgroup Summary</u> is provided as a hyperlink of the workgroup's</p>

findings describing the examination, its results, and recommendations.

Task: Review findings. Categorize findings as those that can be immediately implemented and those that require additional discussion and planning.

Task: Meet with Diane Benedetto, Director of DFMA to share findings and recommendations and plan the restructuring of the financial development/fiscal monitoring responsibilities from DFMA to Contract Administration.

Task: Meet with Deputy Commissioner Singleton and Dakibu Muley, Director of Integrated Services to review and share the findings and recommendations of the Lean process and plan for the restructuring of the scope of Program Staff responsibilities in the contracting process.

Task: Examine the skills needed in the unit to assume responsibility for financial development and monitoring – utilizing the structure of the DMHAS contract unit as a guide – examine the skill set of contract administration staff to determine the capability to assume responsibility for the financial development/fiscal monitoring of contracts. Identify training needs, arrange for training and identify staffing needs by classification and numbers.

Task: Determine staffing levels in Contract Administration necessary to timely process and monitor contract volumes – identify number of contracts by program – identify programs that may be transferred from DSS – time study for contract development and financial monitoring.

	<p>Current <u>Procurements</u> and Current <u>Contracts</u></p> <p>Priority: High</p> <p>Timeframe: October 1, 2013 through February 28, 2014. Implement new structure to be effective no later than April 1, 2014.</p>
<p>2. Explore cross training within Contract Unit staff between the Procurement side and Contract side.</p>	<p>Agency Plan: Cross training has and will continue to occur as workloads allow until the unit is properly staffed. Once the unit is staffed and restructured, cross training and job shadowing to allow for staff efficiencies will be implemented.</p> <p>Priority: Medium.</p> <p>Timeframe: On-going as workloads allow. Once proper staffing levels are reached and activities are restructured - immediate.</p>
<p>3. Implement required training for Contracts staff in collaboration with the Office of State Ethics, the Freedom of Information Commission, the State Elections Enforcement Commission, the Commission on Human Rights and Opportunities, the Office of the Attorney General, the Department of Administrative Services and any other state agency involved with Contracting functions. Such training curriculums should be developed in accordance with OPM Procurement Standard requirements (Section I H.3) and Connecticut General Statutes (Chapter 62, 4e-5).</p>	<p>Agency Plan: Work with OSD to implement an internal "Contracting Boot Camp" for all DSS staff who are involved in the contracting process. Work with OSD in collaboration with OAG, GAO, DAS, OPM and CHRO to implement a standard training curriculum for all Contracting staff. In addition to training curriculum explore outside professional development through the National Contract Management Association (https://www.ncmahq.org/index.cfm) and through Villanova University Online Government Contract Management Certificate Program. Priority level-medium.</p> <p>Priority: Medium</p> <p>Timeframe: January 1, 2014 – March 31, 2014. Coincide with the effective date of new structure.</p>
<p>4. Modify Fiscal's role in Funding Determination. Fiscal should share Spending Plan information with Programs and Contract Unit. Programs should make the determination as to how to allocate those dollars (spending plan development), submit to Contracts Unit, and Contract Unit should ensure that the dollars are utilized in accordance with the figures provided by Fiscal.</p>	<p>Agency Plan: See Task 1</p> <p>Priority: High</p> <p>Timeframe:</p>
<p>5. Completely restructure business payment processes and eliminate contractual language</p>	<p>Agency Plan: To examine the current business process</p>

that ties payments to report submission. Part II language in the POS contract allows for payment withholding if reports are late. DSS should explore implementation of quarterly/prospective payments wherever possible.

used to request and process payments to Contractors. Fiscal, contract and purchasing staff participated in a LEAN process to identify and implement efficiencies and to ensure compliance with contract terms regarding payments. It will also require the input and assistance of CORE-CT roles. Coordination with Task 1 is necessary especially in light of the number and classification of staff

Task: Meet with Laurie-Ann Wagner and Diane Benedetto to outline the need and focus of the LEAN project. **8/9/13**

Task: Identify participants for the LEAN project – Fiscal, Contract and Program Staff responsible for any aspect of the contract payment process. **9/13/13**

Task: Develop project charter
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Task: Conduct the LEAN sessions, review current processes, current contract language and current CORE-CT roles. **11/4/13 – 11/7/13**

Task: Prepare and present workgroup summary to Deputy Commissioner and Diane Benedetto **11/7/13**

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Task: Coordinate accepted recommendations with Task 1 and develop the restructure and staffing plan for the business payment processes in line with Task 1.

Task: Implement restructure assign appropriate CORE-CT roles.

Priority: High

	<p>Timeframe: Work to implement new structure no later than March 1.</p>
<p>6. Modify Contract request document to include all information required for Contract staff to solely complete OPM requests.</p>	<p>Agency Plan: Currently Contracts Administration (CA) uses a CIRAS sheet (Contract Information Review & Approval Sheet), which is requested for EVERY contract request. CA works in conjunction with Program Staff to ensure that OPM requests are accurately completed. Priority: (WAS) High Timeframe: COMPLETED</p>
<p>7. Eliminate hard-copy, signed submission of all reports. Electronic submission is auditor tested and accepted at other agencies.</p>	<p>Agency Plan: Associated with Tasks 1 and 5 – as report submission is related to and in some cases a contingency for payments. Requires discussion with Program Staff on the reports necessary and acceptable formats for the same. Priority: Medium Timeframe: October 1, 2013 – March 31, 2014</p>
<p>8. Implement an electronic library maintained by the Contracts unit of active contracts to be made available to all DSS staff.</p>	<p>Agency Plan: Currently the agency, in concert with DAS, is identifying server needs to allow for the scanning and electronic retention of any document not required to be kept in hard-copy, prior to the central office move currently scheduled for calendar quarter 1 of 2014. Staff have been asked to estimate volume by Mid-October. Priority: High, as electronic library needs to be in place in order to restructure as recommended. Timeframe: Six Months – coordinated with agency move</p>
<p>9. Implement Lean process improvement to address inefficiencies in contracting and payment processes.</p>	<p>Agency Plan: SEE recommendations and agency plans - 1, 4 and 5. Priority: High Timeframe: Continue to identify and pursue LEAN initiatives through June 30, 2014</p>

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

<i>System-wide Recommendations</i>	<i>Agency Plan, Priority and Timeframe</i>
<p>1. Improve timeliness of contract executions-Goal is 95% % executed no later than 15 days prior to contract start date <i>A major issue, for some agencies, is that funding approval required to start the contracting process are provided so late that timely contracts are not possible</i></p>	<p>Agency Plan: In concert with fiscal and program staff develop a to follow to meet goal of 95% or better. Need commitment from all areas to achieve goal. Priority: High Timeframe: Ability to reach compliance level is contingent upon successful LEAN project implementation, restructure of responsibilities and additional staff. Begin October 1, 2013 – measure compliance for 10/1 contracts and then again for 1/1/ contracts; develop compliance expectations as restructure is implemented. Significantly improved compliance for 7/1/14 contracts with full compliance for 10/1/14 contracts.</p>
<p>2. Payments:</p> <ul style="list-style-type: none"> • Streamline Business processes related to payments • Basis for payment: decouple from reports • Authorizing Payments: Payment authorization shall be the responsibility of the contract unit, in consultation with program staff; eliminate Program/Fiscal review and/or approval of payment requests. • A single CORE Purchase Order shall be created and tied to the CORE Contract, for the life of the contract. 	<p>Agency Plan:</p> <ul style="list-style-type: none"> • LEAN contract payment processes – September 2013 Priority: High Timeframe: September 2013 • Review contract language for payments and compare against process in place. Restructure payment Working with OPM to develop Uniform Chart of Accounts. Priority: High Timeframe: Final product completion date by the end of the calendar year and an implementation date for contracts commencing 7/1/14 • Working with OPM to develop and implement pilot POS enterprise contract management system. Priority: High Timeframe: January 2014 <p>See also Recommendations B1, B4, B5, B9, C3.</p>
<p>3. Best organizational structure and practice found among State POS agencies involves having a <u>central contracts unit</u> that is provides an accountable focal point for managing, in a <u>collaborative, timely and efficient manner, the administrative, financial and contracting functions related to private provider health and human services contracts. <i>These best practice contracts units view program units as their customers and, most importantly, enable program staff to focus their time more</i></u></p>	<p>Agency Plan: Utilizing the DMHAS model as a guide, proposed centralized staffing restructure following the implementation of the LEAN recommendations from the “Leaning Contracts” Workgroup Contract and the LEAN process for contract payments. Expected that the LEAN process will result in a shift of staff responsibilities.</p>

<p><i>productively on program and client outcomes.</i></p> <ul style="list-style-type: none"> • Contracts and Program staff will collaboratively oversee development of contract/provider budgets. • Contact unit staff, in consultation with Program staff, shall be responsible for approval of financial reports and budget revisions. • Payment authorization shall be the responsibility of the contract unit, in consultation with program staff. Human service agencies shall eliminate Program/Fiscal review and/or approval of payment requests. • Contract unit staff shall, upon receipt of quarterly OPM allotment and availability of funding in each Account/SID, provide pertinent payment information (either electronically or hardcopy) to fiscal Accounts Payable unit. • Responsibility for Year-End Reconciliation: Contract unit staff shall be responsible for oversight of Fiscal Year-End reconciliation and State Single Audit review, in consultation, as needed, with Fiscal. 	<p>Update and implement policies and procedures to coordinate with revised structure.</p> <p>Priority: High.</p> <p>Timeframe: January – March, 2014 with implementation April 2014.</p>
<p>4. Increase and maximize use of Part I templates</p>	<p>DSS Currently maximizes the use of Part I templates. Completed</p>
<p>5. Increase and maximize use of consolidated contracts</p>	<p>While efforts have been made to maximize the use of consolidated contracts we will continue to identify and pursue additional opportunities.</p> <p>Timeframe: March 2014 for July 1; July 2014 for October1</p>
<p>6. Contract Period of Performance</p>	<p><i>OPM note: 39% 2 years or less; 61% 3 years or more</i></p>
<p>7. Electronic processes:</p> <ul style="list-style-type: none"> a. Electronic Contract Assembly: Agencies shall implement electronic contract assembly software b. Electronic Contract Submittals: Agencies shall implement electronic processes for contract transmittal to and receipt from providers during signature/execution process (i.e., PDF contracts emailed to providers with instructions for return). c. Reduced Number of Hard Copy Contracts: Agencies shall eliminate hard-copy storage of contracts in multiple locations/units. d. Electronic Contracts Library: Agencies shall implement an electronic contracts library that all agency staff can access to view active, executed contracts. e. Electronic Reports, Absent Signature: Contract periodic reports will be accepted electronically, absent signature, eliminating requirements for submission of hard-copy, original, signed financial reports/budget revisions. f. Electronic Routing and Approvals: Intra-unit agency approval process shall rely on 	<p>Agency Plan:</p> <p>7a. DSS attended a demonstration of the Grantium solution in August. Requested consideration to participate in a pilot.</p> <p>7b. Currently in compliance.</p> <p>7c and d. Currently, the agency in concert with DAS, is identifying server needs to allow for the scanning and electronic retention of any document not required to be kept in hard-copy, prior to the central office move currently scheduled for calendar quarter 1 of 2014. for an overview of its system with the objective of requesting a pilot run for the agency.</p> <p>7e. To be addressed in the LEAN process for Contract Payments.</p>

electronic routing and approvals eliminating manual, paper-based processes.	7f. Currently in compliance.
<p>8. Training:</p> <p>Contract Unit Staff Professional Development: Agencies shall provide professional development opportunities to enhance Contracts staff skill-sets (i.e., basic writing skills, English composition skills, contract writing).</p> <p>Inter-Agency Cross Training: Agencies shall develop inter-unit cross-training opportunities to increase staff knowledge pertaining to contract development/oversight and programs.</p> <p>Provider Training: Agencies shall develop collaborative training opportunities for provider staff to cover topics such as competitive procurement, contract development, and financial and programmatic report submission, etc.</p>	<p>Agency Plan: Work with OSD to implement an internal “Contracting Boot Camp” for all DSS staff who are involved in the contracting process. Priority Level – medium</p> <p>Work with OSD in collaboration with OAG, GAO, DAS, OPM and CHRO to implement a standard training curriculum for all Contracting staff. In addition to training curriculum explore outside professional development through the National Contract Management Association (https://www.ncmahq.org/index.cfm) and through Villanova University Online Government Contract Management Certificate Program.</p> <p><u>Inter-Agency Cross Training:</u> Work with OPM to offer a “Town Meeting” discussion of best practices among the 10 Human Service Agency staff members biannually.</p> <p><u>Provider Training-</u>DSS has already implemented a webinar on Competitive Procurement and provides internal training to program staff on Contract Development when requested. Looking to expand the use of webinars to providers on financial and programmatic report submission.</p> <p>Priority: Level-medium.</p> <p>Timeframe: 12 months</p>
9. One Budget per Program: Provider contract budgets will be consolidated to ensure that each funded program contains only one budget per funding period.	<p>Agency Plan: Identify the extent to which we are currently allowing multiple budgets per funding period per program and the reasons why – March 1; For those without justification develop workplan to address development and revision of process – May 1</p>

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

<i>System wide recommendations for comments</i>	<i>Agency Comments</i>
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SYSTEM WIDE RECOMMENDATIONS

<p>Financial and Programmatic Reporting and Data Analysis: Agencies shall develop coordinated administrative and programmatic oversight component that includes administrative oversight, fiscal/programmatic reporting, and data analysis performed collaboratively by Program and Contracts staff.</p>	<p>DSS agrees and is currently working on a restructure of Contract Staff to align with Program and Fiscal.</p>
<p>Management of Service Level Data: Agencies shall develop and implement protocols for the compilation, aggregation and electronic storage of financial, statistical and programmatic data to measure the provider's ability to meet contractual performance obligations.</p>	<p>DSS Contract Administration Staff is working with Program Staff through Deputy Commissioner Singleton to develop a Contract Dashboard. The dashboard will serve as a reporting tool that documents the financial and programmatic performance of Contractors. Currently working with CSBG contracts as a pilot.</p>
<p>Programmatic Outcomes: Commissioners shall review and approve outcome measures to be included in POS contracts and submit these measures to OPM. Agencies shall take into account how these measures within and across programs contribute to the applicable cross-agency results and indicators developed by the Governor's Cabinet for Non-Profit Health and Human Services. <i>(perhaps some common measures across State agencies could be identified through this process)</i></p>	<p>Agree</p>
<p>Reporting on Outcomes: In a format and timeframe identified by OPM, State agencies shall submit a report to OPM listing performance outcome results for each program category involving \$1.0 million or more in annualized expenditures and for each contract within that category. These reports shall be posted on OPM's and the agency's web-site.</p>	<p>Agree</p>
<p>Other Suggestions in regarding to Outcome Measures/Performance Based Contracting and Related Data systems</p>	

	By Sept 2013	By March 2014	By March 2014	By June 2014	By Sept 2014	By Dec 2014
1. Improve timeliness of contract executions to 95% completed no later than 15 days before proposed start	LEAN for contracting process done spring 2012; Implement contract execution timeline for Oct 2013 contracts; all others at least 3 months before start	Implement contract execution timeline for July 2014 contracts;				
2. Payments: streamline payment processes; decouple from reports; allow Contract unit to authorize payments; use single PO in CORE for each contract		Restructure contract/procurement unit; Complete LEAN process for payments; Begin procurement of Grantium contract system				
3. Adopt central contracts unit		Complete restructuring of purchasing/contract/procurement unit				
4. Increase & maximize use of Part I templates	Already in place as appropriate for program					
5. Increase & maximize use of consolidated contract	Already in place as appropriate for program					
6. Extend Contract periods to at least 3 years	Already in place as appropriate for program					
7. Electronic processes		Complete plan to transition to PDF/electronic report submissions prior to Grantium				Complete implementation of electronic library
8. Training		Complete cross training plan; develop internal Contracting Boot Camp with OSD				
9. One budget per program		Identify where we do not comply with this requirement and why we do not.	Implement process to address.			

	By Sept 2013	By March 2014	By June 2014	By Sept 2014	By Dec 2014
1. Restructure contracting functions		Restructure contract/procurement unit Begin procurement of Grantium contract system			
2. Explore Cross training across Contracting & Procurement		Complete cross training plan			
3. Implement required training			Develop internal Contracting Boot Camp with OSD		
4. Modify Fiscal's role in Funding Determination		Complete plan to provide Program staff with contract allocations at least 6 months prior to contract execution			
5. Completely restructure payment process		Complete LEAN process for payment process			
6. Modify Contract request document to complete OPM requests	CIRAS sheet already used for contract requests				
7. Eliminate hard copy signed submission of all report & replace with electronic submission		Complete plan to transition to PDF report submissions prior to Grantium			
8. Implement electronic contract library					Complete implementation of electronic library
9. Implement LEAN process for contract & payment process	LEAN done spring 2012; implement immediately for July 2014				