



CONTRACT MANAGEMENT POLICY

PURPOSE

This operating policy is to ensure that the Coalition, through its contracting process, protects the funds it disburses, derives the maximum return of services from those funds, and is in compliance with applicable state and federal laws, rules, and regulations governing contracts for services.

POLICY STATEMENT

The Coalition acknowledges its responsibility to monitor and enforce all contract terms and conditions as described in the Grant Agreement with the Agency for Workforce Innovation (AWI). Agreements with contractors/recipients must be awarded in accordance with applicable laws, rules and regulations. The Coalition has a responsibility to ensure that its subrecipients observe the same terms and conditions as contained in the Grant Agreement.

PROCUREMENT OF ASSISTANCE RELATIONSHIPS

The Coalition may choose either of the following procurement methods in soliciting assistance relationships:

REQUEST FOR PROPOSALS (RFP) – used when

- the scope of work or the actual product/outcome can be generally defined;
- the scope of work or product/outcome could be provided in a variety of acceptable ways;
- contractor qualifications and the quality of the product/outcome to be delivered is more important than the price; and
- the product/outcome is not most effectively based on a fixed price.

INVITATION TO NEGOTIATE (ITN) – used when

- the scope of the work or the actual product/outcome can be generally defined;
- the scope of work or product/outcome could be provided in a variety of acceptable ways;

- contractor qualifications and the quality of the product/outcome to be delivered is more important than the price;
- responses may contain innovative solutions, which may otherwise not receive consideration;
- competitive negotiation is the best way to ensure price or services to match available contract funds or provide most efficient economical services; and,
- award is made based on the best combination of services and price.

OTHER

- Request for Quotes or Requests for Bids can be used for simpler services at the discretion of the Executive Director.
- A taskforce composed of at least 3 Coalition board members will evaluate the responses if an RFP or ITN is utilized. All reviewers sign a declaration indicating that no conflict of interest exists.
- The Coalition reserves the right to reject any and all bids or offers, if deemed to be in its best interest.
- Coalition officers, employees and/or agents are prohibited from soliciting or accept gratuities, favors, or anything of monetary value from sub-recipients or potential sub-recipients.

ROLES AND RESPONSIBILITIES

The Program and Contracts Manager (PCM) responsibilities include:

- Carrying out the preparations for solicitation and/or procurement contracting.
- Initiate the Contract Monitoring process.
- Conducting thorough oversight of contractor performance and reporting findings for corrective action to the Executive Director (ED).
- Maintain a central location for maintaining all official and current contract records for the coalition.
- Retain files for a period of five years following contract closeout or resolution of pending action (e.g., legal, audit, etc.), whichever is later.
- Present contract status reports to the ED. Reports should include but are not limited to: service delivery report (enrollment, wait list, deliverables, etc.), appeal and grievance hearing for individuals/groups affected by the contracts (if applicable).

- Enforce the performance of contract terms and conditions (s. 287.057(13), F.S.). The PCM and the ED are the primary points of contact through which all contracting information flows between the Coalition and the contractor. All actions related to the contract will be initiated by or coordinated with the PCM and the ED.

The Fiscal Manager (FM) responsibilities include:

- Participating in all the applicable areas of the procurement process.
- Reviewing the contractor's documentation of contract-related expenditures.
- Maintain and update planned costs by OCA.
- Processing, inspecting, reviewing and approving the contractor's invoices for payment.
- Conducting desk and on-site audits for fiscal compliance.
- Maintaining the original invoices in chronological order to each contractor.
- Present to the Board utilization reports, financial statements including revenue/expenditures by line item and fund.
- Ensure that an independent audit of the central agency and any other pertinent contractor was performed in accordance with OMB Circular A-133, s. 215.97, F.S. (Florida's Single Audit Act).
- Ensure the service provider maintains basic financial data and documents (reflecting all revenues and expenditures of funds) in accordance with generally accepted accounting principles and practices. At a minimum, the following generally accepted accounting documentation should be validated:
 - accounting ledgers
 - records and documents (including electronically stored data) and payroll tax returns
 - payroll registers for administration and program personnel, U.S. Form 941, Federal Quarterly payroll Return and Unemployment Compensation Tax, I-9 Forms and W-4 forms are current and complete.
- The coalition and service provider (i.e., central agency) has an effective process for tracking and managing the core financial records/reports as required in the contract and/or grant award:
 - operating budgets, financial statements, expenditure reports, and chart of accounts
 - records all sources of income
 - disallowed costs

- process for recovering funds expended due to disallowed cost
- return of funds transactions
- reimbursements
- The coalition requires contracted service providers receiving contributions from governmental entities or special purpose units to document those matches.

DOCUMENTATION/FILE REQUIREMENTS

For each contract, the contract file consists of two sub files: the contract file and the contract monitor file.

Contract File: Every contract must be supported by a file containing documentation supporting all phases of contract activity.

- All pertinent information relating to the contract must be maintained in the contract file.
- All coalition contracts over \$50,000.00 include and/or reference the following information:
 - Signed contracts contain the start and end dates as specified in the contract agreement
 - Non-discrimination and equal opportunity assurance (29CFR part 37 and 45 CFR part 80)
 - Travel requirements (if applicable)
 - Governing law(s)
 - Records and retention
 - Scope of Services
 - Return of funds language
 - Dispute resolution
 - Sub-contracting limitations
 - Reporting requirements
 - Monitoring information
 - Contract renewal/process/procedure
 - Method of Payment
 - Performance standards
 - Audit Requirements (if over \$500,000)

- Payment rates (if applicable)
- Assurances and Certifications
- Child Care Resource and Referral requirements (when applicable)
- In addition to the documents listed above, the contract file contains all documentation and information regarding the contract process. At a minimum, the following items should be included:
 - Certification of liability insurance (if applicable)
 - Workers' compensation insurance (if applicable)
 - Amendments (if applicable)
 - Correspondence
 - Monitoring report, correspondence and corrective action plans (if applicable)
 - Tracking data on performance measurements and deliverables (if applicable)
 - Reports
- The Contract File maintained by the FM contains all documentation regarding the payment process. At minimum, the following items should be included:
 - All approved invoices
 - A comprehensive payment log to show:
 - All payments to the contractor
 - Recovery of any advances
 - Interest earned
 - Reconciliation records
 - The most recent independent audit as required by OMB Circular A-133

Contract Monitoring File: Every contract must be supported by a contract monitoring file containing documentation supporting the contract monitoring activity and reports. Documents maintained in the contract file:

- Completed monitoring tools
- Monitoring Reports

- Correspondence related to the visit

CONTRACT MONITORING

This section provides a guide for conducting contract monitoring for the Early Learning Coalition of Pasco and Hernando Counties, Inc. contracts. The contract monitoring encompasses administrative and programmatic standards expected to be met by the Coalition's contractors according to the Coalition's standard contract, its attachments, Florida Statutes (F.S.), Florida Administrative Code (F.A.C.), federal regulations and Coalition policy.

- **Contract Monitoring Definition:** Contract monitoring is the acquisition, review, and reporting of information about the Coalition's contractor's compliance with the contract's terms and conditions, both administrative and programmatic. In order to maximize the Coalition's limited resources and minimize disruption to the contractor, contract monitoring will integrate administrative and programmatic elements to the greatest extent possible. However, the FM coordinates and audits the contractor's compliance with fiscal matters.
- **Contract Monitoring Tool:** The PCM is responsible for developing the contract monitoring tool based on the contract terms and conditions. The tool must be approved by the ED.
- **Contract Monitoring Frequency:** Every contract issued by the Coalition will be monitored on-site at least once a year.
- **Annual Contract Monitoring Schedule:**
 - The PCM will develop an annual contract monitoring schedule.
 - Contract monitoring schedules should be planned to assure the coordination of programmatic and administrative contract monitoring for each contractor. The PCM must schedule the entire monitoring plan throughout the year, to ensure on-going reviews of each contract.
 - The monitoring schedule will be approved by the ED.

The PCM and/or other designated coalition staff may conduct unscheduled site visits to the contractor if the PCM or ED has reason to believe problems exist or such a visit is warranted. Contract Monitoring may be performed by the PCM, FM, other coalition staff or may be conducted by an outside party through the use of contracted services.

- **Preparation Activities:** The PCM is responsible for planning the contract monitoring activities with each contractor before examining records or visiting contractor sites. The PCM is responsible for:
 - Preparing the Contract Monitor Tools and determining the testing percentages.
 - Preparing a letter or e-mail or monitoring notification at least 21 days in advance of the scheduled on-site monitoring visit.

- Tracking the progress and completion of the contract monitoring schedule.
- **Preliminary Reviews:** The PCM reviews documentation and reports already in the possession of the Coalition (contract file) or those that are easily obtainable. Reviews to be accomplished before the entrance conference with the contractor include, but are not limited to:
 - A review of the contract file for all current contracts with the contractor.
 - Insurance – the monitor should verify that (1) the contractor’s insurance policies have not been allowed to lapse since contract award and (2) the Coalition is not billed for coverage not required by the contract or not permitted in a cost reimbursement contract.
 - A review by the FM of the contractor’s current audit and other reports as required by Ch. 10.550 and 10.650, Rules of the Auditor General, including associated management letters.
- **Effective Use of Funds:** For purposes of assuring that programmatic financial integrity is maintained, the Fiscal Manager will review the accuracy of contract payments as they relate to programmatic requirements and service quality.
- **Return of Funds:** If the FM determines unallowable expenditures were charged to the contract, or the contractor has otherwise been overpaid, the FM in cooperation with the contractor develops a plan to reimburse the Coalition.
- **Match Requirements:** Contractors receiving contributions from governmental entities or units of special purpose to support treatment or contracted services are required to provide information about those matching. The governmental funding entity or match contributor is required to comply with any deadlines and procurement procedures established by x. 402.73(5), F.S., and the Coalition.
- **Implementation of Contract Monitoring:** Administrative/Fiscal and programmatic contract monitoring provides the Coalition with the information necessary to assess the fiscal and programmatic accountability of its contractors.
- The Contract Monitor will transmit the results of the contract monitoring, its findings and recommendations, and any other relevant information by preparing and submitting a written report. The report documents the contractor’s ability to deliver quality services to the Coalition’s clients and the extent to which the contractor has been fiscally responsible in accounting for public funds.

TERMINATION

- **Breach of contract:** Breach of contract is a legal term that describes a condition that results from a failure of a party to a contract to abide by the material terms or conditions of a contract such that one party loses the value of its bargain with the other party. A breach may be indicated by one or more findings contained in the contract monitoring report and any other material reports that a contractor is not complying with the terms and conditions of the contract. The PCM will notify the ED if he/she has reason to believe that a breach of contract has occurred.
- **Termination for Failure to Achieve Performance Standards Policy:** In the event the contract is terminated as the result of the contractor failing to achieve one or more performance standards set

forth in the contract, the contractor will be prohibited from receiving any new contracts or subcontracts for the same services for at least 24 months from the date of the termination. This termination provision in no way limits the termination provisions found in the Coalition's Standard Contract.

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