

City and County of San Francisco
NON-PROFIT CONTRACTING TASK FORCE
Chronological Milestones for Reform Implementation

Prepared by the San Francisco Human Services Network

Fiscal Year 2003-2004:

➤ **(1) Consolidate contracts:**

- As contracts are renewed or sooner if appropriate, departments (DPH, DHS, DCYF, MOCD, DAAS) that already have a draft plan to consolidate contracts will begin to implement plan.
- Departments that do not have a plan to consolidate contracts will develop plan to consolidate contracts.

➤ **(2) Streamline contract approvals:**

- The Department of Telecommunications and Information will establish an intranet-based system for use by all City departments that contract with non-profits. The Office of Contract Administration (OCA) will develop a standard list of compliance documents (501c3 letter, Board list, audit, IRS 990 form, insurance certificates, etc.) that will be available on the system, to include only one insurance certificate to indemnify the City & County of San Francisco as additional insured. Contractors will submit one set of compliance documents for all City contracts to the Office of Contract Administration for posting to the intranet system. The OCA working with contracting departments will assure that all documents are posted within 2 weeks of receipt.
- By mid-year, the Controller will establish policies and procedures for electronic signatures to permit on-line submissions and approvals of required documents. The Controller will explore the feasibility of electronic fund transfers to facilitate payments directly to contractors' bank accounts.

➤ **(3) Timely payment:**

- By mid-year: Departments to review internal processes to determine systematic delays in contract processes. The goal of departmental reviews is to speed and streamline the contract process and contract payments to ensure that contracts are certified by the start date of the contract and paid in a timely fashion.
- Second half: Departments will begin to implement policies, procedures and accountability mechanisms to streamline or speed internal contract processes and payments either based on their internal review or using models of other departments.
 - ◆ The DHS model uses multi-year contracts and staggers contract renewals so all contracts are not renewed in the same year. DHS prepares contracts before the fiscal year begins by including fiscal year appropriations in contract modifications prepared mid-fiscal year.
 - ◆ The DPH model of contingency contracts was presented to the Task Force as a way to streamline the contract process. DPH is currently piloting a proposal that builds in a contingency amount into contract budgets that will allow flexibility to anticipate funding changes that are tied to the funding cycle.

➤ **(4) Review / appellate process:**

- The Office of Contract Administration/Department of Administrative Services will be responsible to periodically convene a panel to advise the Board of Supervisors. The panel can also be convened at the request of either City Departments or a non-profit contractor. The purpose of the panel is to review, approve or resolve departmental proposals for substantive changes to standardized policies recommended by the Task Force, and any grievances that are unresolved at the Department-level regarding issues related to the standardized procedures.
 - ◆ The panel will meet on an ad hoc basis, and not less than one time per year. The panel will be composed of an odd number of people with at least 2 representatives of City health and human service departments and at least 2 representatives from non-profit contracting agencies recommended by the San Francisco Human Services Network.
 - ◆ This panel will also oversee the implementation of the Task Force recommendations. Substantive changes are defined as those that significantly alter the standardized procedures contained in this report.
 - ◆ Office of Contract Administration is responsible for submitting an annual report from the panel to the Board of Supervisors.
- City departments that contract with non-profit providers for health and human services will establish a formal grievance procedure for contractors to address contracting issues that have not been resolved administratively by other departmental remedies.

➤ **(5) Eliminate unnecessary requirements:**

- All City departments will review their policies to ensure that unnecessary requirements that exceed funding source requirements will not be arbitrarily imposed on non-profit contractors and are consistent with current funding or compliance requirements.

➤ **(6) Electronic processing:**

- Departments to review contract processes to determine areas that would benefit from electronic processes for reporting, monitoring and payment.
 - ◆ Best Practices – The Department of Children, Youth and Families uses a contracting system that incorporates electronic processes.
 - ◆ Best Practices – The Department of Human Services accepts electronic invoices via FAX or email.
 - ◆ Best Practices – The Department of Health has begun using an on-line contracting system (COOL).
- Office of Contract Administration/Administrative Services to facilitate electronic contracting processes that would benefit City departments.
 - ◆ Review City's purchasing/contracting system (APDICS) or other contracting procedures to facilitate the integration of electronic processes into OCA contracting procedures whenever possible.
 - ◆ Facilitate the implementation of the DPH on-line contracting system (COOL) to automate contract processing between DPH and OCA. This will facilitate timely processing of contracts and streamline the contract certification process.

- Controller's Office to develop policies to facilitate electronic invoicing.
 - ◆ Review and revise accounting and post-audit procedures to facilitate electronic processes whenever possible.
- **(7) Standardized and simplified forms:**
 - DPH will complete standardization of and processes for electronic submission of: (1) Exhibit A Narratives, (2) Exhibit B Budget Pages, (3) Invoices, and (4) Monitoring Protocols, within and among CBHS, the AIDS Office, HUH and, where possible, the CHN.
- **(8) Accounting standards:**
 - Controller's Office to complete a *Finance Guide for City Contractors*. Guide will include recommendation that all CBO's have an annual independent audit. The guide will set accounting standards that are acceptable to all City departments.
 - Controller to distribute *Finance Guide for City Contractors* to Departments to assist in the process of standardizing fiscal monitoring in the City.
 - Departments should adopt above report as part of fiscal monitoring procedures.
- **(9) Joint program monitoring:**
 - Departments will provide timely written notice of at least 14 days prior to the monitoring visit date as well as a timely written report back on the results of the monitoring visit to the contractor within 30 days, if possible, but not beyond 90 days. If the program report is not completed within 30 days, then the department conducting the monitoring will issue a notice indicating that the program report was not completed as scheduled.
 - Office of Contracts Administration develops a centralized system for access to real-time information by contractor, by dept, by contact name and number, and logs date of departmental program and fiscal monitoring to facilitate joint program and fiscal monitoring.
 - Departments will waive or modify site-monitoring reviews if audits or site monitoring by other regulatory agencies address and meet/exceed the department's site monitoring review objectives.
- **(10) Standard monitoring protocols:**
 - Each department (and divisions within departments) will work with representative groups of providers to develop standards of care or service for each type of service the department provides, whether through City or contract programs. Departments will coordinate standards of care with other departments as appropriate. These standards of care will include minimum expectations, goals and guidelines for each service, and once completed, will be submitted to the department's policy body (commission, planning council, etc.) for approval by June 30, 2004.
 - Each City department will adopt as a fiscal monitoring guideline the standards developed by the Controller's Office (See Recommendation #4, Milestone #2 - *Finance Guidelines for City Contractors*).
 - Each department will work with providers to develop standard program monitoring protocols that focus exclusively on assessment of the contract's deliverables and outcome objectives, and adherence to the standards of care for that service.

➤ **(11) Training for personnel:**

- Commencing in this fiscal year, all staff who are responsible for programmatic monitoring will schedule and attend an on-site program orientation with each agency to be monitored in order to more fully understand programs and services.
- Each City department will develop a training program for department staff and community members who monitor programs (programmatic or fiscal, on-site or off-site review) in order to ensure adequate knowledge of monitoring protocol, including previously negotiated criteria for contract evaluation and any new protocols that result from this report. This training program will be implemented in FY04-05 and annually thereafter.
- Each City department will establish a procedure to solicit formal feedback from contracting agencies on the relationship with the department as it relates to both the monitoring process and the ongoing coordination of services. This procedure will include a written report submitted annually to the appropriate commission or body on the outcomes and actions the department deems appropriate to correct any identified problems or concerns.

➤ **(12) Tiered assessments:**

- Office of Contract Administration will convene a working group of City departments to develop a Tiered Assessment Tool to facilitate the implementation of multi-tiered monitoring. A significant portion of the Tiered Assessment Tool will be based on information provided by each contractor. This assessment will cover areas such as:
 - ◆ Agency Leadership: e.g. Longevity of Board and Executive Staff, Capacity of Board;
 - ◆ Experience: e.g. Length of contract provision and years of experience in service categories;
 - ◆ Performance: e.g. Previous outcomes, program monitoring results, timely reporting;
 - ◆ Management Disclosure: e.g. Report of audit findings, lawsuits;
 - ◆ Financial Management: Independent audit, unaudited financial statements, 990 Tax Form.
- Those programs with consistently high performance will participate in a minimized monitoring process. Those programs with moderate performance will participate in a standard monitoring process. Those programs with lower performance will participate in a more extensive monitoring process designed to provide additional technical assistance to support program improvement.
- City departments will conduct an internal assessment of technical resources, including personnel with special qualifications or trainings, models of best practices, and funds for technical assistance grants. This assessment will be useful in the allocation of departmental resources that could be better utilized to improve services.
- Each City department will utilize the Tiered Assessment Tool to conduct an annual evaluation of each program based on their contract requirements. This evaluation, as demonstrated by submitted documentation or other assessments, will be posted on the OCA website to provide all departments with information on contractor performance.

➤ **(13) Cost of living increases:**

- Begin a dialog between the non-profit community and the City to fully understand the issues related to on-going wage disparity and develop a plan to address these issues.

Fiscal Year 2004-2005:

➤ **(1) Consolidate contracts:**

- As contracts are renewed or sooner if appropriate, departments (DPH, DHS, DCYF, MOCD, DAAS) that already have a draft plan to consolidate contracts will review and evaluate implementation to determine if plans have achieved consolidation goals.
- Departments that did not have a plan to consolidate contracts during 03-04 will implement plan.

➤ **(2) Streamline contract approvals:**

- By the beginning of the fiscal year, all compliance documents for non-profit contractors will be in the system, and departments will use the system whenever it is necessary to check for required documents. Contractors will also be responsible for submitting updated documents to the OCA for timely posting to the system.
- Individual departments will develop their own systems for on-line submissions and approvals following the policies established by the Controller (Best Practices: the Department of Children, Youth and Families; Department of Public Health's COOL system).

➤ **(3) Timely payment:**

- Departments will have completed or made significant progress toward implementation of new streamlining of contract certification.

➤ **(4) Review / appellate process:**

- All City departments that contract with non-profit providers for health and human services will incorporate the grievance procedure into their contract boilerplate during this fiscal year.
- Board of Supervisors to review the progress in implementing the goals of the Task Force and a report from the review panel through public hearings held twice per year or other forms of inquiry, as determined by the Board of Supervisors.

➤ **(7) Standardized and simplified forms:**

- OCA will convene a meeting of appropriate City departments (DHS, DAAS, DCYF, MOCD, etc.) to review DPH model forms and propose areas to standardize where possible and feasible.

➤ **(9) Joint program monitoring:**

- Departments will utilize this system by the commencement of the FY04-05.
- Departments will have access to and use other departments' programmatic and fiscal monitoring reports of the agency and may accept the review of other departments.

➤ **(10) Standard monitoring protocols:**

- The accounting standards, standards of care, and program monitoring protocols will be distributed to all service programs (City or contract) with the contract/interdepartmental MOU documents for FY 2004-05, and these standards and protocols will constitute the criteria for evaluation in program and fiscal monitoring of City and contract programs during FY 2004-05.
- Departments that provide health and human services will meet to develop agreement on one standard program monitoring protocol for all contracted or City-staffed human services that focus on evaluation of a program's deliverables, outcomes and adherence to standards of care.

- **(12) Tiered assessments:**
 - Departments will implement tiered monitoring of programs based on past performance. In the event that an assessment identifies challenges faced by the program/agency, all appropriate departments will coordinate a citywide response to provide technical assistance with the goal of stabilizing and improving services.
 - **(13) Cost of living increases:**
 - Provide adequate funding for cost of living increases (COLA) for personnel for non-profit contractors equal to the salary increase for comparable City positions, regardless of funding source. Continue to fund COLA's each year for non-profit contractors equivalent to the percentage increase in civil service salaries.
 - Provide departments with adequate funding for inflationary costs of doing business for non-profit contractors for administrative and operating expenses. This standard should be maintained in all future years.
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Fiscal Year 2005-2006:

- **(1) Consolidate contracts:**
 - Departments that did not have a plan to consolidate contracts during 03-04 will review and evaluate implementation to determine if plans have achieved consolidation goals.
 - **(7) Standardized and simplified forms:**
 - The resulting forms will be standardized across departments.
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Unspecified Date:

- **(2) Streamline contract approvals:**
 - Once the financial accounting systems have been upgraded, on-line approvals and electronic fund transfers will be implemented. No specific date set for this milestone.
- **(3) Timely payment:**
 - The Board of Supervisors should expedite the approval of "accept and expend" resolutions using the Consent Calendar when notified that a Department has applied for grants for health and human services.
- **(6) Electronic processing:**
 - Controller's Office to develop policies to facilitate electronic invoicing.
 - ◆ Future date to be determined – When upgrading the City's accounting system (FAMIS) consider systems that will facilitate electronic processes across City departments. New systems should interface or support departmental contracting systems that process invoices and payments whenever possible. to address these issues.