

POLICY 1.60 (41) MONITORING CONTRACTS

Policy Committee Chair

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Approved



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7/9/2014

Authorizing Sources

RCW 39.26
RCW 39.34
RCW 43.19
RCW 43.105
DSHS Administrative Policy 7.01
DSHS Administrative Policy 13.11

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Effective Date

7/25/2014

Sunset Review Date

7/25/2017

I. PURPOSE AND SCOPE

This document establishes policy to comply with Department of Social and Health Services (DSHS) Administrative Policy 13.11. It governs the monitoring of Juvenile Rehabilitation (JR) contracts and agreements to reasonably ensure that JR receives goods and services that are paid for through the contracting process and that contractors meet the scope of work and specifications identified in the contract.

This policy applies to client service contracts, personal service contracts, purchased services contracts, data-sharing agreements and inter-local agreements managed and monitored by JR. Portions of this policy apply to American Indian nation program agreements.

All staff, contractors, volunteers, and interns working in the Division of Institution Programs, Division of Community Programs and Parole, and the Division of Operations and Support Services are responsible for reviewing and complying with JR policies.

II. POLICY

1. The Grants and Contract Manager (GCM) shall:

- 1.1. Coordinate contract trainings and assist Designated Contract Managers (DCMs) to develop, implement, and document contract risk assessments and monitoring plans.
- 1.2. Perform periodic reviews of JR's contracts, risk assessments, monitoring plans, and monitoring activities.

Policy **1.60 (41), Monitoring Contracts 7/25/2014****2. Designated Contract Managers (DCM) must:**

- 2.1. Attend all mandatory DSHS Central Contract Services' (CCS) contracts training courses.
- 2.2. Ensure applicable laws, policies, and procedures are observed in monitoring JR contracts. If a conflict appears to exist between this policy and a law, DSHS policy or procedure, the DCM will contact the GCM for guidance.

3. The DCM must use the JR Risk Assessment and Monitoring Plan Worksheet to conduct a risk assessment of each type of service to be contracted.

- 3.1. DSHS Administrative Policy 13.11 requires both Core Service Level and Contractor/Contract Core Risk Factors to be assessed in order to determine the appropriate level of monitoring of each assigned contract.

4. The DCM must prepare a Contract Monitoring Plan based upon the assessed risk level for each contract using the a JR Risk Assessment and Monitoring Plan Worksheet. Contract Monitoring Plans shall include, but are not limited to:

- 4.1. Contract monitoring activities, schedules, any corrective action items, and relevant documentation;
- 4.2. The name and the role of the designated staff monitoring the contract;
- 4.3. A completed JR Risk Assessment and Monitoring Plan Worksheet. A copy of the completed worksheet must be placed in the contract file and/or the Agency Contracts Database (ACD).

5. The DCM must complete the JR Risk Assessment and Monitoring Plan Worksheet for each new contract or upon any significant changes to the scope of the work or contractor's performance.**6. The DCM must monitor the performance of their assigned contractors based upon their Monitoring Plan. Monitoring may include the following:**

- 6.1. Implementing Desk or On-site monitoring activities using standards or checklists.
- 6.2. Receiving, reviewing and approving payment requests after the receipt of a properly completed invoice. A review will reasonably ensure the contractor is:
 - 6.2.1. Complying with the contract terms and conditions;
 - 6.2.2. Not double-billing for services;
 - 6.2.3. Billing only for authorized services; and
 - 6.2.4. Not exceeding the authorized contract period or contract amount.
- 6.3. Reviewing and approving contractor reports, including audit reports and other required documentation submitted by the contractor.
- 6.4. Coordinating contract monitoring requirements with other DCM(s) assigned monitoring of the same contractor, when reasonable.
- 6.5. Providing and coordinating technical assistance and other guidance to the contractor as necessary and reasonable.

7. The DCM must enter required data into the ACD which includes:

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- 7.1. Initial risk level, using the Contracts Monitoring Screen for each contract.
 - 7.2. Performance monitoring activities, using the Contracts Monitoring Screen for each contract designated in JR's performance monitoring plans.
 - 7.3. Upon the contracts expiration or termination, indicate if Contractor's performance was satisfactory or unsatisfactory using the Contracts Monitoring Screen for each contract designated in JR's performance monitoring plans.
 - 7.4. Criminal history background checks completion status, using the Checks Screen, which is part of the contractor's menu on the ACD.
 - 7.5. Insurance coverage, using the Insurance Screen, which is part of the contractor's menu on the ACD.
 - 7.6. Professional and business licenses, using the License Screen, which is part of the contractor's menu on the ACD.
- 8. The DCM must maintain appropriate documentation of monitoring activities in the contract file and/or the ACD. Documentation may include but is not limited to:**
- 8.1. Contract performance reports.
 - 8.2. Documentation of relevant telephone communications.
 - 8.3. Copies of written correspondence with a contractor.
 - 8.4. On-site monitoring questionnaire or checklist.
 - 8.5. Self-assessment.
 - 8.6. Standards reviews.
 - 8.7. Integrated Treatment Model quality assurance reviews.
 - 8.8. Surveys.
- 9. The DCM must respond within a reasonable amount of time to a contractor's questions or disputes. Responses must address the issue, offer resolution options, and document any significant correspondences.**
- 9.1. Documentation of the communication and correspondence will be kept in the contract file and/or the ACD.
- 10. The DCM must notify the contractor of the deficiency when a problem has been identified with the contractor's compliance with terms and conditions of a contract. The DCM must work with the contractor to resolve the issue and documenting all steps. Steps include:**
- 10.1. Providing or coordinating technical support to assist the contractor in understanding contract expectations.
 - 10.2. Attempting to resolve contract problems or contractor compliance in a timely manner.
 - 10.3. Documenting related conversations with the contractor, including:
 - 10.3.1. Clear identification of the problem;
 - 10.3.2. Expectations placed on the contractor to correct the problem; and
 - 10.3.3. Date and time frame set for the problem to be resolved or for action to be taken.

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- 10.4. Maintaining documentation of the deficiency notification and steps for corrective action in the contract file and/or ACD.
- 10.5. Reviewing and approving corrective action plans.
- 10.6. Notifying their supervisor if contract problems are not resolved in a timely manner.
- 10.7. If the above steps fail to rectify a contractor's compliance with terms and conditions of the contract, formal action may be necessary per Policy 43, *Managing Vendor/Contractor Compliance*.

11. If an exception to these requirements is desirable, the DCM will, per DSHS Administrative Policy 13.11 (C.2), request an exception in writing with justification for the exception. The GCM will review and may forward the request to the DSHS Central Contracts Services' Administrator.

III. DEFINITIONS

Agency Contracts Database (ACD): The DSHS agency contracts database used to generate all DSHS contracts and collect risk assessment and monitoring activities.

Contractor: An individual, business or other entity that contracts with DSHS to supply certain materials or services for a stipulated sum.

Corrective Action: An formal administrative process used by JR to assist or guide contractors in meeting requirements when a problem with contract compliance is identified.

Designated Contracts Managers (DCM): JR staff members assigned to manage and monitor contracts fiscally or programmatically.

Formal Action: A sanction which may result from a contractor’s failure to comply with a corrective action. Formal action may include, but is not limited to, termination of a contract, financial penalties, or stoppage of referrals.

Grants and Contracts Manager (GCM): A JR Central Office staff member assigned DSHS signature authority for JR contracts. This position coordinates standard contract monitoring activities. The Grants and Contracts Manager may perform periodic review of JR contracts and monitoring activities.

IV. REFERENCES

DSHS Administrative Policy 10.02

DSHS Administrative Policy 13.16

DSHS Administrative Policy 13.08

DSHS Administrative Policy 19.50.30

DSHS Administrative Policy 13.10

V. RELATED JR POLICIES

Policy 43 – Managing Vendor/Contractor Compliance

VI. FORMS AND DOCUMENTS

Document Title

Available In ACT

Link to Paper form

[Risk Assessment and Monitoring Plan Worksheet](#)
