

# **SANDAN Contracting Workgroup**

## **Meeting Notes**

### **January 27, 2005**

**Meeting Purpose:** This is a monthly forum, open to all County contractors, co-convened by SANDAN and the County of San Diego HHS Agency Contract Support, and includes representatives from Mental Health Contractors Assoc. and the ADS Providers Association. We seek to improve the County contracting system through the identification of a shared change agenda and co-creating solutions and responses – we do not address the specific contracting issues of individual contractors.

**Meeting participants:** not listed

**Submitted by:** Leslie Hine-Rabichow

#### **Old Business:**

1. Contractors now will only need to submit annual financial statements once a year. HHS Agency Contract Support will issue a "receipt letter" confirming that they are on file at HHS Agency Contract Support (Probation will also likely implement this) and this will satisfy RFP and contract requirements for such documents. This saves copying and document management costs for both Contractors and the County. Contractors are responsible for ensuring that the most current financials are on file and that they have the "receipt letter" on file. A letter will be coming out from HHS Agency Contract Support confirming this. Contractors refer questions to Jack Pellegrino.
2. For selective RFPs: Full blown regional proposals for the same funding and services will no longer be required. One master RFP will be required with region specific information (depending upon how many regions a bidder is applying for). Stay tuned.
3. Issue of cost efficiencies for multiple awards being part of "best value" determination was discussed. Contractors are encouraged to make the case that a specific RFP may have links to other existing contracts and should be considered in County reviews and evaluations of RFPs.
4. The County has hired a company this fiscal year to manage all their insurance policy management, i.e. to ensure contractor insurance policies are up to date and meet contract requirements.
5. County moving forward with Documentum - an electronic scan system that will store and retrieve all contract related documents. These contract related documents will be posted on the Internet for full public access. Will save the County storage costs.  
Contractors beware: Ensure that all documents submitted to the County can be made public (i.e., don't include protected personnel information (like staff resumes with home addresses and phone numbers) or proprietary information). If the County receives it through an RFP or contract process it can and will be made public.

6. County audits of cost reimbursement contracts will pay close attention to cost allocation issues and systems and will adhere to OMB A-122 Nonprofit Cost Accounting Rules. Any contractor with a cost reimbursement contract must be familiar with A-122 and must ensure their accounting systems and practices meet these standards. County audit and contract staff are attending A-122 training and will be answerable to these standards for their contractor audits. Contractors beware: Your accounting audit will not provide the type of assurance contractors need that they are in compliance with A-122 - contractors need expert financial staff that know these rules and can assure their organizations compliance.

7. HHS Agency Contract Support will be sending out contractor surveys to elicit contractor feedback and input into HHS contract operations. May be some additional delay in getting the survey out due to current staffing changes but look for it by mid March...

**New Business:**

8. ADS contractors need clarification about the rules governing budget adjustments between personnel and non-personnel expenses. Several years ago the Contracting Workgroup discussed this issue and the County agreed to allow contractor flexibility of up to 15% (10% in some cases) in adjusting expenses/budget between personnel and non-personnel expenses. This accommodates staff vacancies, turnovers and other leaves without requiring budget modifications that often were taking 6 months or more to be approved. ADS does not appear to be honoring that agreement. Jack will check back with ADS on this to sort out the issue.

9. Drug testing requirement in place as of 1/1/05 - coming from the state. Contractors will have more costs associated with this which should be reflected in contract cost negotiations. Contractors need to be able to track and report ALL their costs associated with a contract and need to show how and why costs are increasing over time.

10. Trustline issues: many ADS programs hire ex-felons as part of their program models - felonies never go away in Trustline - which creates compliance issues for contractors.