

2012-13 Contractual Service Agreement Technical Assistance Workshop

10:00 AM – 11:00 AM (EDT)
Wednesday, March 14, 2012

Statewide Conference Call

<http://www.fldoe.org/workforce/dwdgrants/default.asp>

Division of Career and Adult Education(DCAE)
Bureau of Grants Administration and Compliance

Welcome and Introduction

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Mission

The purpose of the Contractual Service Agreement Conference Call is to provide technical assistance to grant recipients who are interested in developing a meaningful and measurable contractual service agreement pursuant to State and Federal regulations.

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Call number: 1 (888) 808-6959

Conference code: 4496605046

Please help minimize background noise during the conference call.

- Please keep your phone on MUTE while listening to the conference call. This prevents background noise and in-office discussions from disrupting the call.
- If you do not have a “Mute” button on your phone, press *6 to mute and #6 to un-mute.

Objectives

- Upon completion of this conference call, participants shall be able to do the following:
 - *Determine if contractual services are “really” needed during the planning phase of their 2012-13 applications and proposals*
 - *Write a complete contractual service agreement with a quantifiable scope of work, reasonable cost analysis, specific invoicing dates and deliverables*
 - *Access the **State of Florida Contract and Grant User Guide** [<http://www.myfloridacfo.com/aadir/docs/ContractandGrantManagementUserGuide.pdf>]*
 - *Evaluate a contractual service agreement to ensure critical elements are included*

State of Florida Contract and Grant User Guide

- All of DCAE's Request for Applications and Proposals state: “**Contractual Service Agreements** must be in compliance with Florida Statutes, Sections 215.422, 216.347, 216.3475, 287.058, and 287.133; Rule 60A-1.017, Florida Administrative Code.
- Applicants proposing fiscal/programmatic agreements should carefully review and follow the guidance of the *State of Florida Contract and Grant User Guide*, Chapter 3, Agreements at:
<http://www.myfloridacfo.com/aadir/docs/ContractandGrantManagementUserGuide.pdf>

Agenda

- Accountability
- Planning
- Procurement
- Agreement Purpose and Key Elements
- Questions and Answers
- Closing
- Announcements
- Evaluation

Format

- Audio Presentation
- Microsoft PowerPoint Handout
- Questions and Answers
- Closing
- Electronic Evaluation

Accountability

The State of Florida Contract and Grant User Guide is designed to:

- Provide guidance related to key elements of contracts and grants management
- Facilitate programmatic accountability
- Facilitate fiscal accountability

Accountability

- All proposed contractual expenditures between the fiscal agent and subcontractors shall be accompanied by a formal, properly executed (e.g., agency heads or designees' signatures), clear and comprehensive agreement which provides the legal basis for enforcement.
- The success of a project can be directly linked to the quality of the agreement, issuing a formal agreement is critical.

Planning

- Carefully review the Request for Applications and Proposals
 - Identify the Sources of Funding
 - Programmatic Purpose and Priorities
 - Programmatic Objectives
 - Review Budget
- Does your agency really need a contract in order to accomplish its set goal(s) and objectives?

Planning

- Alternatives to an external financial contractual service agreement
 - Assigning existing staff other duties
 - Hiring staff
 - Split Funding Arrangements
 - Supplemental Pay
 - Non-financial agreement
- Conceptualize and Operationally Define Need
 - Identify Need
 - Goal(s)
 - Objectives
 - Activities
 - Cost
 - Deliverables
 - Invoice Dates

Planning

- Local Resources:
 - Finance Office
 - General Counsel
 - Management Information System (Data)
 - Programmatic Office
 - Procurement Office
- State Resource:
 - Program Managers
 - State of Florida Contract and Grant User Guide

Planning

- Benefits of Using Local Resources:
 - Validate an external financial contract is needed
 - Utilize proper procurement procedures in accordance with Federal, state and local guidelines
 - Office Management and Budget (OMB) Circular A-133, Section 210)
 - Florida Single Audit Act Checklist for Non-State Organizations
 - Identify a subcontractor
 - Select a subcontractor
 - Understanding of Methods of payment (e.g., cost reimbursement and fixed rate)

Procurement

- The purpose of the procurement process is to ensure a fair and reasonable price is paid for the service provided
- Two Procurement Approaches
 - Competitive
 - Invitation to Bid (ITB)
 - Request for Proposal (RFP)
 - Invitation to Negotiate (ITN)
 - Non-Competitive
 - Cost Analysis
 - Allowable, Reasonable and Necessary

Procurement

- When there is not an open market to provide the services, a cost analysis is needed to support the determination of what is a fair and reasonable price.
- Section 216.3475 F.S., reveals that a person or entity that is awarded funding on a non-competitive basis may not be paid more than the competitive market rate.
- State and Federal Laws, Rules and Regulations for funding are found on pages 8-9, of the Contract and Grant User Guide.

Minimum Requirements for Non-Competitive Procurement Agreements

Section 216.3475 F.S., indicates the maximum rate of payment for services funded under General Appropriations Act or awarded on a noncompetitive basis.-

- A person or entity that is designated by the General Appropriations Act, or that is awarded funding on a noncompetitive basis, to provide services for which funds are appropriated by that act may not receive a rate of payment in excess of the competitive prevailing rate for those services unless expressly authorized in the General Appropriations Act.
- Each agency shall maintain records to support a cost analysis, which includes a detailed budget submitted by the person or entity awarded funding and the agency's documented review of individual cost elements from the submitted budget for allowability, reasonableness, and necessity.

Agreements

- A clear and comprehensive agreement provides the legal basis for enforcing the agreement and has a direct effect on the payment and monitoring process.
- Issuing a clear and complete agreement is critical.
- The success of a project can be directly affected by the quality of the agreement.

Agreements should contain the following:

- terms and conditions
- scope of work
- deliverables
- record availability for inspection
- remedies for noncompliance
- minimum performance standards
- detailed cost analysis for services
- timing, nature, and substance of all reports
- reports that trigger payment
- disposition of property
- payment terms

Agreements should contain the following (Cont.)

- maintain both cost and programmatic records for at least five years
- adequate cost accounting system
- financial status report (summary of activity and costs)
- disposition of non-expendable property
- return of all unused funds for agreements
- All costs are reasonable, allowable, allocable
- standard audit language Single Audit Act web site, <https://apps.fldfs.com/fsaa/>
- monitor the sub-contractor and clearly state the state agency's expectations
- proper execution (signature) by agency head

Agreements:

Four Critical Elements

- **Scope of Work** (Specific goals and objectives stated in quantifiable terms)
- **Deliverables** (Payment Triggers)
- **Performance Standard** (Minimum Level of Acceptance)
- **Remedies** (Non-Compliance/Performance)

Tips on Writing Scope of Work

- Identifies all tasks and/or services
- Specifically details delivery of services and related documentation
- Relates to Goals and Objectives of the program
- Minimum performance standards

Vague Scope of Work Adult Education

A Community Based Organization (CBO) shall contract with Sample School District to provide services to some students for a fixed price of \$8,000.

More Specific Scope of Work

Adult Education

Contingent upon funding from the FLDOE, **Acme, Inc.** agrees to provide the following services for Sample School District: recruitment, enrollment, orientation, pre-test with the Test for Adult Basic Education (TABE), Basic Adult Education (ABE) instructional services, post TABE test, and evaluation of 100 ABE students who reside in Sample County between July 1, 2012 and June 30, 2013. All instructional services shall take place between 6:00 PM – 9:00 PM (EDT), Monday –Friday at Acme, Inc.'s Training Academy which is located at 100 Elm Street, Sample City, Florida, 30000. Acme shall validate its success by submitting quarterly deliverables (documentation) showing that a minimum of 80 or (80%) of the ABE students advanced at least one (1) Education Functioning Level (EFL) as measured by the TABE test. The fixed rate of pay shall be \$100 (per ABE student) x 80 for a total, not greater than \$8,000.

Vague Scope of Work

Carl D. Perkins Career/Technical

Sample State College shall contract with Sample School District to develop Programs of Study and Articulation Agreements for a fixed price of \$24,000.

More Specific Scope of Work

Carl D. Perkins Career/Technical

Contingent upon funding from the FLDOE, **Sample State College** (SSC) agrees to hire one part-time hourly Program Specialist at a rate of \$25.00 per hour or a total not greater than \$24,000 to provide the following services for Sample School District (SSD), between July 1, 2012 and June 30, 2013:

- (1) develop and post a Programs of Study recruitment brochure, and a ten page interactive website which highlights the districts Career Technical Education (CTE) offerings for Secondary CTE Students in Sample County to promote the Programs of Study advantages;

More Specific Scope of Work

Carl D. Perkins Career/Technical (cont)

- (2) a thirty minute interactive CTE recruitment presentation and distribute CTE brochures to 6 middle grade classes (minimum of 20 students per session) to assist with career and education planning;
- (3) a thirty minute interactive CTE recruitment presentation and distribute CTE brochures to 6 high school classes (minimum 20 students per session) to assist with career and education planning;

More Specific Scope of Work

Carl D. Perkins Career/Technical (cont)

- (4) a thirty minute interactive CTE recruitment presentation and distribute CTE brochures to 6 postsecondary classes (minimum 20 students per session) to assist with career and education planning;
- (5) coordinate a minimum of three meetings, the development with agency heads written approval, and post on the SSD's website a minimum of five new Programs of Study (POS) in the areas of: Business Administration, Building Trades & Construction, Architectural Drafting, Digital Video Production, and Electronic Business Enterprise;

More Specific Scope of Work

Carl D. Perkins Career/Technical (cont)

- (6) coordinate through a minimum of three meetings the revision, with agency heads written approval, of a minimum of four revised articulation agreements (AA), including: 3D Animation Technology, Digital Design, Digital Video Production and Commercial Art Technology;
- (7) coordinate the development and publishing of website housing a minimum of ten (10) college's Programs of Study and related information; and
- (8) collect data indicating the credits earned through Programs of Study - college credit programs.

More Specific Scope of Work

Carl D. Perkins Career/Technical (cont)

All professional/technical services outlined in this contractual service agreement items 1-8, shall take place between 8:00 AM – 3:00 PM (EDT), Monday- Friday within Sample County during the project and budget period (07/01/12-06/30/13). The Program Specialist shall validate time and commitment by submitting monthly a Personal Activity Report (PAR) as well as a four page typed progress report to SSD on the last day of each month which at a minimum includes a list the classes visited, participating students' names and attendance verification (signatures); number and progress with newly developed or revised POS, AA respectively; and POS and AA meeting minutes and attendee's signatures.

More Specific Scope of Work

Carl D. Perkins Career/Technical (cont)

The fixed rate of pay is \$25.00 per hour and Program Specialist shall only be paid for invoices which include PAR verifying hours worked plus the progress report.

Deliverables

- Deliverables are events/activities documented that trigger payments and should be:
 - related to the scope of work.
 - used to measure progress.
 - specific, quantifiable, measureable and verifiable.
 - a necessary part of provider's performance.
 - identified in the agreement.
 - inclusive of minimum performance standards.

Minimum Performance Standard

- Agreements should operationally define what is the absolute minimum performance standards that ensure an adequate level of services provided
- Minimum standard of performance is what actually triggers the payment of an invoice

Remedies

- Agreements must indicate the consequences for not meeting minimum performance/compliance standards
 - Example: Pro-rating invoice amounts
 - Imposing more restrictive conditions
- Remedies are most critical to cost reimbursement and fixed price agreements

PARTICIPANTS

- QUESTIONS AND ANSWERS
- CLOSING REMARKS
- ANNOUNCEMENTS

Online Survey

Survey for this conference call –

Please take a few minutes to give us your feedback via this survey posted on our website:

<http://www.fldoe.org/workforce/dwdgrants/default.asp>