Contracts "101" Training Basics for Beginners

Evolving Process

Please note: Contracts requirements are a work in progress. The DPH Contracts Office must be responsive to updates within the Department, fiscal reporting, and business climate.

This training does not preclude additional requirements and/or changes to the way we do business.

Training Goals

- Familiarize new Contract Administrators with DHHS performance-based contracting terminology, policies and procedures.

- Establish a comfort level for all new Contract Administrators when building a contract package.

- Provide new Contract Administrators the necessary tools to succeed in the procurement and contracting process.

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Acronyms

A list of acronyms used by the DPH Contracts Office is included in your handout and may also be found in the Training Folder on the Contracts Website.

http://ncpublichealth.com/employees/contracts-forms.htm

Common Contracting Acronyms

ALCS	Administrative, Local, and Community Support
ARRA	American Recovery & Reinvestment Act
BE	Budgetary Estimate
BR	Budget Realignment
C&Y	Children and Youth
CA	Consolidated Agreement
CAF	Contract Approval Form
CDB	Communicable Disease Branch
CDC	Centers for Disease Control
CDI	Chronic Disease and Injury
CER	Contract Expenditure Report
CFDA	Catalog of Federal Domestic Assistance
COE	Center of Excellence
COI	Conflict of Interest
CRIS	Community Resource Information System
DHHS	Department of Health and Human Services
DIRM	Division of Information Resource Management
DPH	Division of Public Health
DUNS	Data Universal Numbering System
EH	Environmental Health

EI	Early Intervention
EIN	Employer Identification Number
EPI	Epidemiology Section
FA	Financial Assistance
FFATA	Federal Funding Accountability and Transparency Act
FSRS	FFATA Subaward Reporting System
FTE	Full Time Equivalent
HIPAA	Health Insurance Portability and Accountability Act
HIS	Health Information System
IMOA	Intra-Departmental Memorandum of Agreement
IT	Information Technology
LHD	Local Health Department
LI	Legislative Increase
LTAT	Local Technical Assistance and Training Branch
MOA	Memorandum of Agreement
NCALHD	North Carolina Association of Local Health Directors
NCAS	North Carolina Accounting System
NCGS	North Carolina General Statute
NGO	Non Governmental Organization
OCME	Office of the Chief Medical Examiner
OEE	Occupational and Environmental Epidemiology
OMH	Office of Minority Health

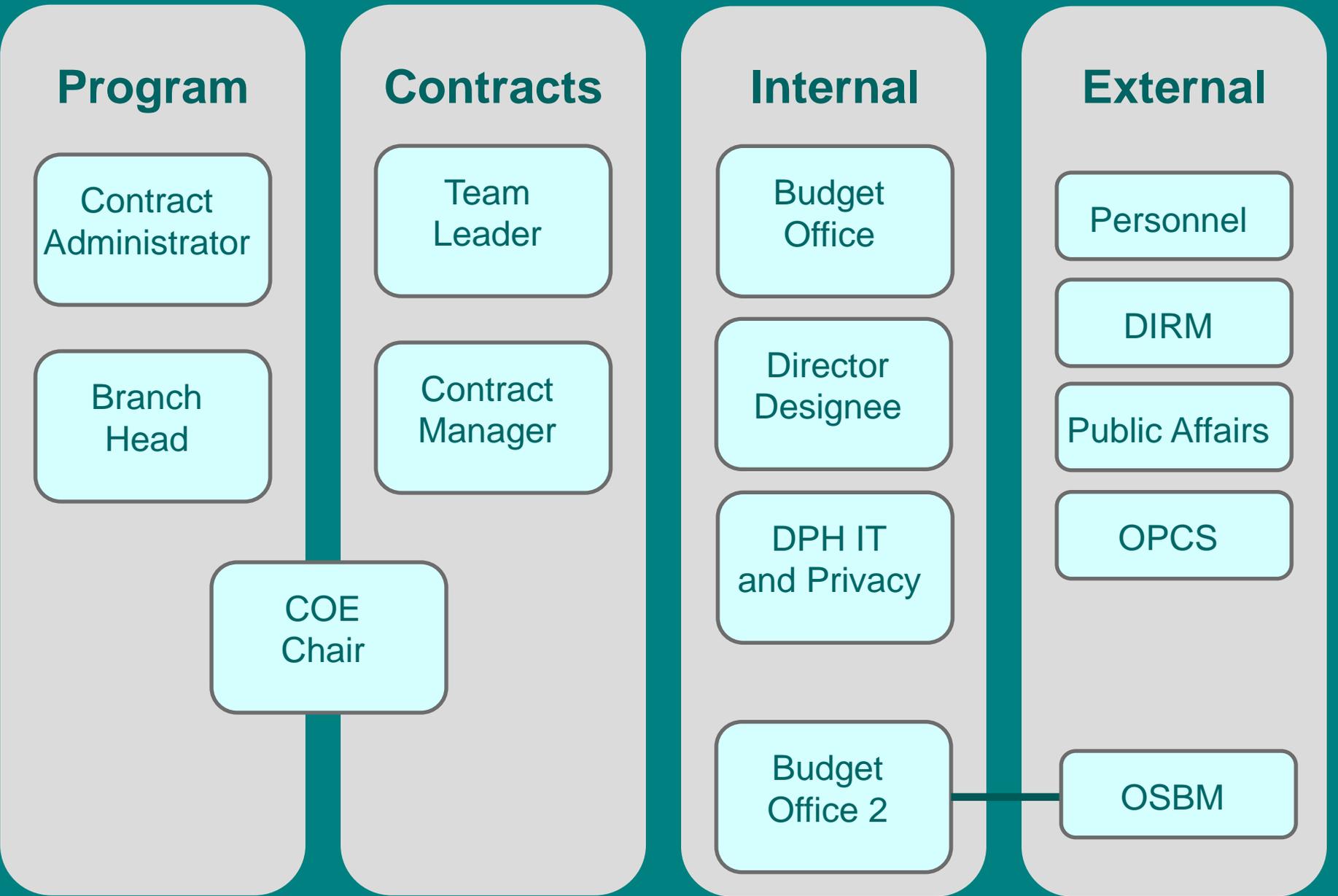|	
OPCS	Office of Procurement and Contract Services
OSBM	Office of State Budget and Management
OW	Open Window
PHPR	Public Health Preparedness and Response
POS	Purchase of Services
PSC	Personal Services Contract
QA	Quality Assurance
RFA	Request for Application
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotes
SAM	System for Award Management
SFY	State Fiscal Year
SOFL	Suspension of Funding List
SOW	Scope of Work
SSN	Social Security Number
TL	Team Leader
WCH	Women's and Children's Health
WH	Women's Health
WOC	Waiver of Competition
WIC	Women, Infants and Children

People

Along the contracting process, there are many people who will help you on your way and give feedback, edits and approvals.

"Internal" – within the Division

"External" – outside of the Division

Contract Approvals

Program

- Contract Administrator
- Branch Head
- COE Chair

Contracts

- Team Leader
- Contract Manager

Internal

- Budget Office
- Director Designee
- DPH IT and Privacy
- Budget Office 2

External

- Personnel
- DIRM
- Public Affairs
- OPCS
- OSBM

Contract Approvers & Roles

- Contracts Administrator
  - Plans for timely contract/amendment creation and execution
  - Checks the OSBM Suspension of Funding list prior to entering into a contract with a vendor/agency
  - Writes adequate justifications for contracts
  - Writes Contract Scopes of Work that have clear and measurable performance expectations (so there can be no misunderstanding between Division & Contractor)
  - Ensures proposed Contractors' budgets correlate to the Scopes of Work and meet all funding regulations
  - Manages the contract, once executed, on a day-to-day basis
  - Monitors Contractor performance and compliance
  - Approves CERs and Budget Realignments

- Branch Head
  - Verifies the Contract is needed and services cannot be provided in-house or by another DHHS agency
  - Approves the contract to move forward in the process after conducting a quality assurance review of the Justification, Scope of Work and Budget

- COE Chair
  - Develops a schedule and COE review plan for all contracts and amendments.
  - Ensures contract is needed and contains adequate performance measures
  - Ensures the statement of work is clearly written
  - Ensures the budget correlates to the SOW

- DPH Contracts Office Team Leader & Manager
  - Ensures contracts are adequately procured
  - Ensures all contract documentation is included and on file
  - Ensures FA/POS determination is correct
  - Ensures the Terms & Conditions, audit language, and templates used are correct
  - Ensures compliance with State & Federal regulations
  - Verifies Contractor is registered to do business in the State of NC and is legitimate
  - Reviews Justification, Scope of Work and Budget
    - Reviews for adequate performance measures, documentation and regulatory compliance
  - Reviews Budget to determine if costs are reasonable and prudent
  - Coordinates development, approval and execution of contracts, RFAs and RFPs
  - Reviews CERs for accuracy
  - Collects necessary agency legal documents
  - Serves as a "checks and balances"

- Budget Business Officer
  - Validates funding codes
  - Ensures funding is available for proposed contract activities and spending periods
  - Ensures budget codes are correct
  - Ensures funds are budgeted appropriately
  - Initiates any necessary Budget Revisions

- Director/Designee
  - Ensures that all prior approval responsibilities have been carried out
  - Executes contracts based on funds availability

- Encumbrance Officer
  - Assigns the NCAS number and verifies Group number for all contracts
  - Encumbers contracts in NCAS
  - Enters data into CRIS and NC Grants
  - Reviews CERs, Code Change Letters, Late Expenditure Reports, and Cash Advances
  - Implements entity legal name changes and/or address changes in NCAS
  - Closes POs in NCAS
  - Serves as the liaison to the Controller's Office

- Division Personnel Manager

  Personal Services contracts must be sent to Division Personnel Manager for approval. Approval ensures:

  - Hourly rates are compatible with the State Salary Schedule
  - Personal Service contract is more advantageous than a Temporary State Employee
  - All Personnel contracts flow up to the Department for approval.

- DHHS Personnel
  Personal Services contracts must be sent to DHHS Personnel for approval. Approval ensures:

  - Appropriate and consistent procurement is used
  - Ensures contract is needed and is more advantageous than hiring a Temporary State Employee

- Division of Information Resource Management (DIRM)

  Any contracts that meet the requirements on the Open Window IT Checklist must be sent to DIRM for approval. Approval ensures:

  - Appropriate and consistent procurement is used
  - Technical architecture issues are addressed
  - Security requirements are met
  - HIPAA privacy & security is included in contract
  - IEEE standards for system development lifestyle
  - Project management standards are followed
  - Oversight approvals are in place
  - Technical standards and best practices are followed

- Director, DPH Information Services / DPH Privacy Officer

  Contracts that include the development of a data collection system (database such as Microsoft Access) require the approval of the Director of DPH Information Services and the DPH Privacy Officer to ensure regulatory compliance.

- Information Technology Governance Committee (ITGC)

  All contracts to develop and/or acquire new technology solutions (i.e., applications, information systems, IT infrastructure, IT services, etc.) estimated to cost $100,000 or greater over the course of 5 years or less require the approval of the ITGC.

  If you are beginning such a project, please contact the Director of DPH Information Services to discuss parameters.

- Public Affairs

  Any contracts containing media, public relations, or associated services, if the amount exceeds $500, excluding contracts which provide community outreach involving media or advertising must be sent to Public Affairs for approval.   Approval ensures:

  - Services cannot be done within State Government at no added cost or with another vendor/agency at a lower rate
  - Services are appropriate

- Budget & Analysis

  Any contracts which exceed approved State rates, including those for personal services, and all DHHS IMOAs. Approval ensures:

  - Funds are budgeted appropriately
  - Contract is consistent with Budget Bill
  - Advises DHHS Management of any potential issues that may affect the General Assembly

- Office of Procurement and Contract Services (OPCS)

  The following must be sent to OPCS for approval:

  - Contracts exceeding $200,000
  - Sole source operations contracts exceeding $10,000
  - All Requests For Proposals (RFPs)

  Approval ensures:

  - Justification supports the contract – especially in the case of a sole source contract
  - Contracts are in compliance with general contracting requirements
  - Contracts include SMART performance-based contracting methods
  - Appropriate approvals have been secured

- Attorney General's Office – Legal Review

  Contracts equal to or exceeding $5,000,000 must be sent to Legal for approval. Approval assures compliance with North Carolina law.

Systems

While each Branch/Office has their own unique systems, there are a number of statewide and federal systems that play a pivotal role in the contracting process.

Contracting Systems

CRIS

DHHS Open Window — DHHS Online Contracting System

NCAS — Accounting System

SAM

FSRS

NC Grants — Online Grant Reporting System

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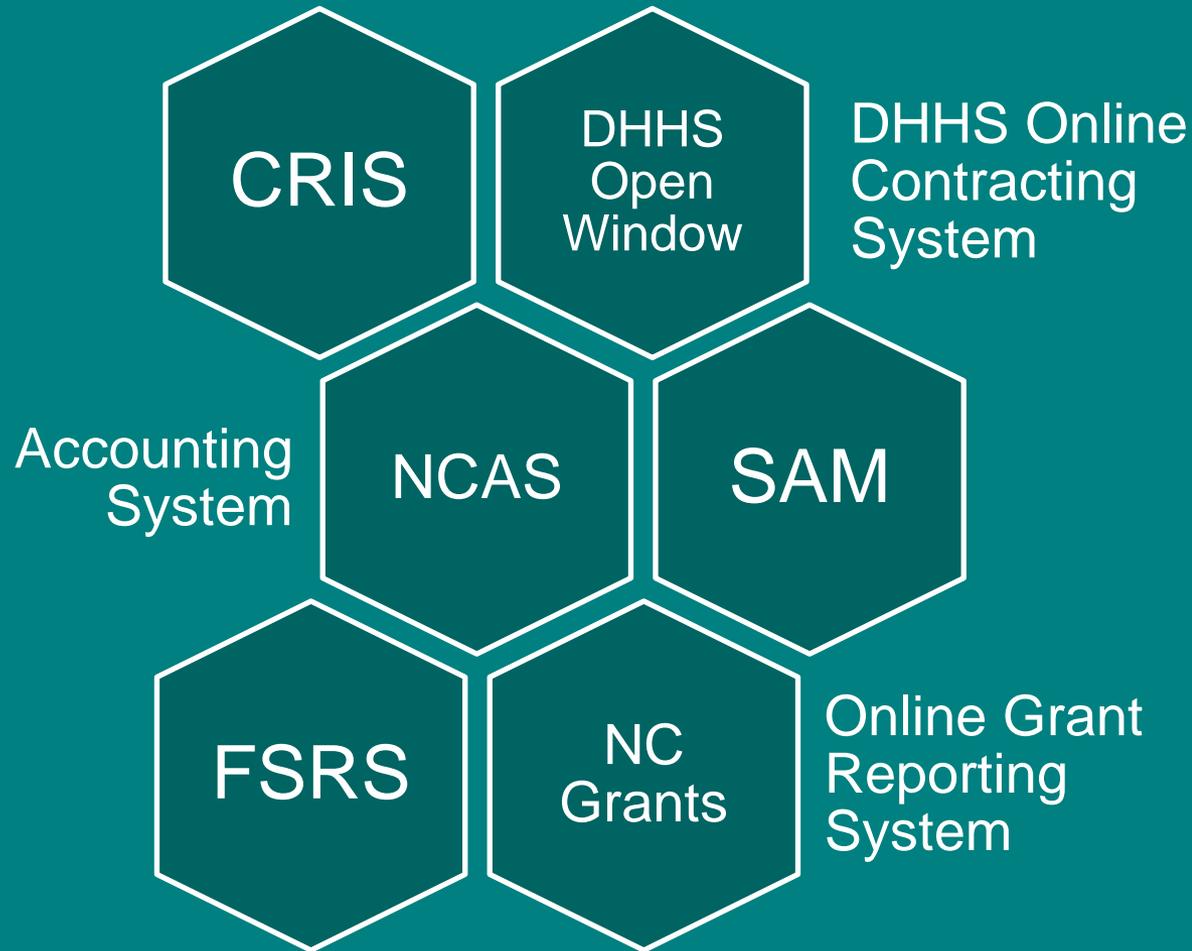
NCAS

- North Carolina Accounting System (NCAS).

- All contracts are encumbered in NCAS by the Encumbrance Officer or OPCS.

- All expenditures are entered in NCAS by the DHHS Controller's Office.

DHHS Open Window

- Open Window captures important information on all DHHS services, and the grants and contracts that support those services.

- Open Window also contains key planning and performance information for DHHS.

- Through Open Window, you will see what services, programs and contracts are provided, how funded; and whether performance is producing results for DHHS customers.

- All participants should be an active user in Open Window.

- All users should update their profile to ensure all requested information is complete.

- Prior to the development of contracts, all Contract Administrators/Delegates should:
  - Review the Open Window webinar,
  - Participate in at least one Open Window workgroup, held by Contracts and
  - Be familiar with the Open Window Writing Style Guide: https://openwindow.dhhs.state.nc.us/Documents/WritingStyleGuide2010.doc

NC Grants

NC Grants is as North Carolina's online grant reporting and information resource. It is managed by the Office of State Budget and Management (OSBM).

All non-governmental Contractors in receipt of Financial Assistance (FA) contracts must login to www.ncgrants.gov and upload their reporting to maintain compliance using their auto-generated NC Grants number.

Suspension List

OSBM produces and distributes a Suspension of Funding List (SOFL) weekly. Any entity named on the SOFL will not receive payment nor can a contract be executed with the named entity.

Check the OSBM Suspension of Funding list prior to submitting any contract or amendment.

The current SOFL is posted and available for download at:

OSBM website www.osbm.state.nc.us

Procurement Tools

Request for Information

Request for Proposal

Request for Application

Waiver of Competition

Request for Information (RFI)

An informal method of soliciting general information to aid in later planning of specification writing.

NO contract results from this process.

RFIs are used to obtain technical information only, NOT pricing.

Request for Proposal (RFP)

Formal competitive process that includes the posting of the RFP on the Interactive Purchasing System (IPS) that consists of a purchase, description of the time and/or service required, information on quantities, required delivery schedules, terms and conditions, and fixed cost bid.

Offerors have formal protest rights in accordance with 01 NCAC 05B .1519, the Administrative Rule Governing Award Protests.

Applicants are not usually aware of the award amount. Award is made to the offeror presenting the most advantageous overall proposal to the State.

RFPs are almost always for Purchase of Services contracts with for-profit agencies.

Request for Application (RFA)

Informal competitive process that usually results in the award of more than one contract.

Applicants do not have formal protest rights.

Unlike the RFP, applicants are aware of the total potential award amount and are asked to submit an application that includes a description of services to be performed and a budget narrative of the potential award amount.

RFAs are used when the funding source is acting as flow through for grant funding.

RFP vs. RFA

RFP

- Applicants do not know the award amount.

- Applicants have formal protest rights.

- Purchase of Service

RFA

- Applicants are told the amount of the award.

- No formal protest rights.

- Financial Assistance

Waiver of Competition

Contracts for services made without benefit of competitive bidding have been procured through a Waiver of Competition (WOC).

Waivers should be few and far between.

A *sole source* contract's WOC is that there is only one vendor/agency that can provide the contractual services needed and that any attempt to obtain bids would only result in one agency being available to meet the need.

Contracts procured without a competitive bidding process <u>must</u> <u>justify</u> a WOC.

Some of the most common WOC are listed below:

- Product or service is available from another governmental agency.
- Needed product or service is available from only one source of supply.
- A particular product or service is desired for educational, training, experimental, developmental or research work.
- Personal or particular professional services are required.
- Competition was solicited, but no satisfactory offers were received.
- Additional products or services are needed to complete an ongoing job or task.
- Standardization or compatibility is required.
- Emergency or pressing need is indicated.

- If you are considering a contract procured through a WOC, you <u>must</u> first write the <u>Contract Justification Memo</u> and submit it to the Contracts Manager for approval.

- This should occur <u>well in advance</u> of the projected start date in case it is determined that an RFA must be issued.

- Tight turnaround time and/or lack of planning are <u>not</u> acceptable reasons to waive a competitive bidding process.

- Reference the DPH Sole Source and Fringe Directive (dated 8/20/10) <u>located here</u>.

RFA Process:
Getting a DPH RFA Number

Contact your Team Leader with the following information:

• The Service Title for the RFA

• The date you expect your RFA to be released

• The date you expect to announce the awards

RFA Process: Forms

The following forms must be completed, signed and submitted to your Contracts Team Leader.
- RFA Checklist
- RFA Approval Form
- RFA Justification Memorandum
- RFA Template
- Notice of Funding Availability Reporting Form

- RFA Questions and Answers Template
- RFA Awards Template

http://ncpublichealth.com/employees/contracts-forms.htm

Contracting with Awarded Entities

- In order to contract with DHHS, contracting agencies must submit legal documents, depending on the type of agency and the type of funding.

- The Contracts Office is responsible for obtaining and verifying the legality of these documents.

- Contracts will not be processed without the required legal documents.

- A contract <u>must be executed</u> before any work begins.

Contractor Documents Required

- 501(c)3 Documentation & Verification
- Statement of No Overdue Taxes
- Conflict of Interest Statement / Policy
- State Certifications
- Federal Certifications (if receiving federal funds)
- Authorization to Sign Contracts
- Authorization to Sign Expenditure Reports (CERs)

Contractor Registrations

NC Secretary of State

DUNS Verification

System for Award Management (SAM)   (if receiving federal funds)

Contract Basics

What is a Contract?

A contract is a legally binding document which creates and defines the obligations and the Terms & Conditions between two or more parties.

Types of Contracts

- Used when contracting with an agency or organization.

Contract for Services

- Used with contracting with a local health department.

Agreement Addenda

- Used when contracting with an individual.

Personal Services Contract

Special Agreements

- Call Contracts Manager for guidance.
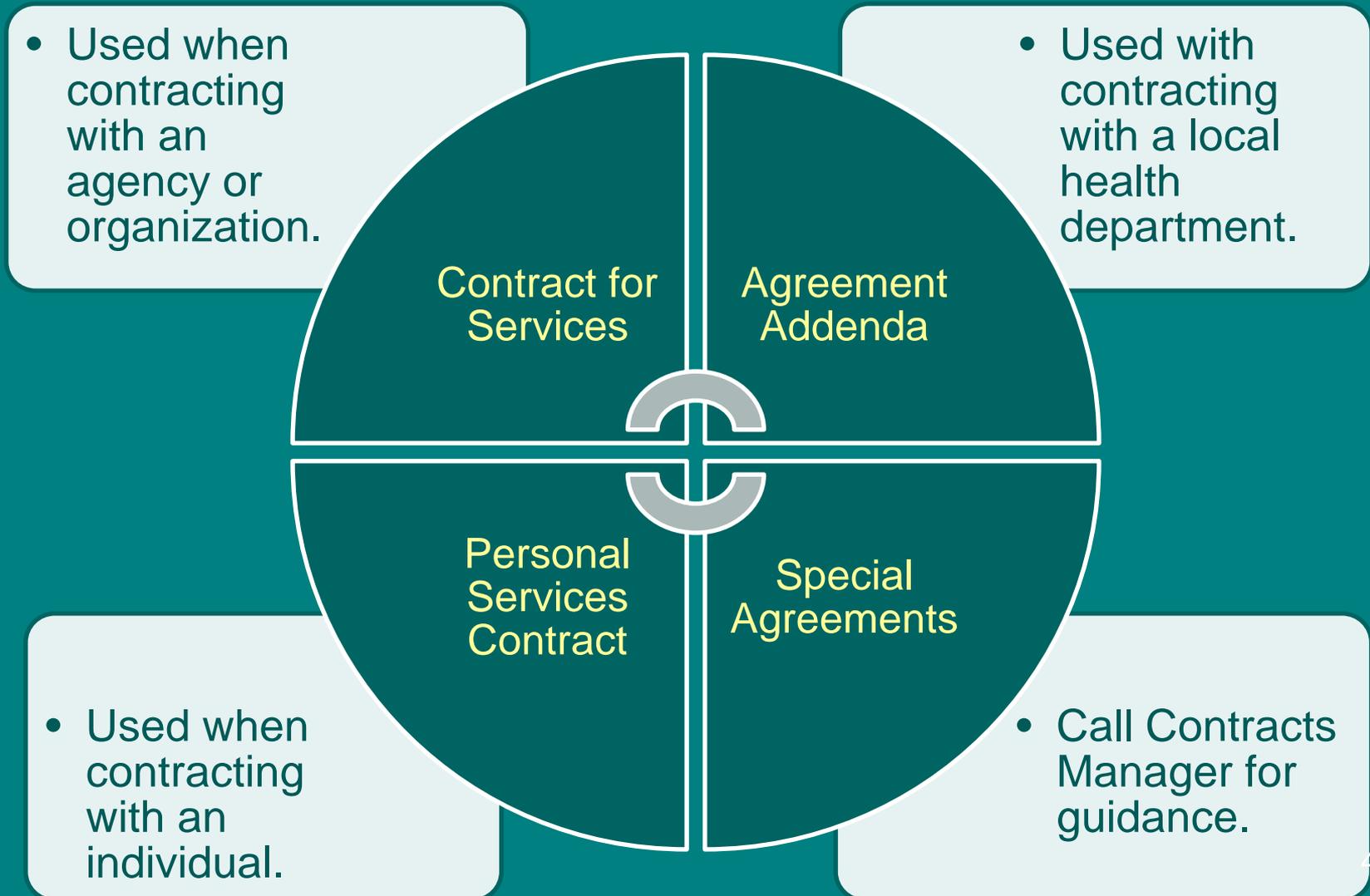
Types of Agreements

IMOA
- Agreement with another division/office within DHHS.
- May or may not contain funding.

MOA
- Agreement with any party, outside of DHHS, where:
- No money is exchanged.

Contract Audit Determination

Contracts are classified as either Financial Assistance (FA) or Purchase of Service (POS).

FA: the Contractor is a recipient of a grant in aid or pass-through funding, and carries out or administers a program. Subject to more oversight & regulatory guidance than POS.

POS: the Contractor is the recipient of funds in an arrangement for the purchase of goods and/or services.

Use the Audit Determination Questionnaire in Open Window

Contract Timeline

210 Days

RFA

120 Days

COE

90 Days

Team Leader

Contract Manager
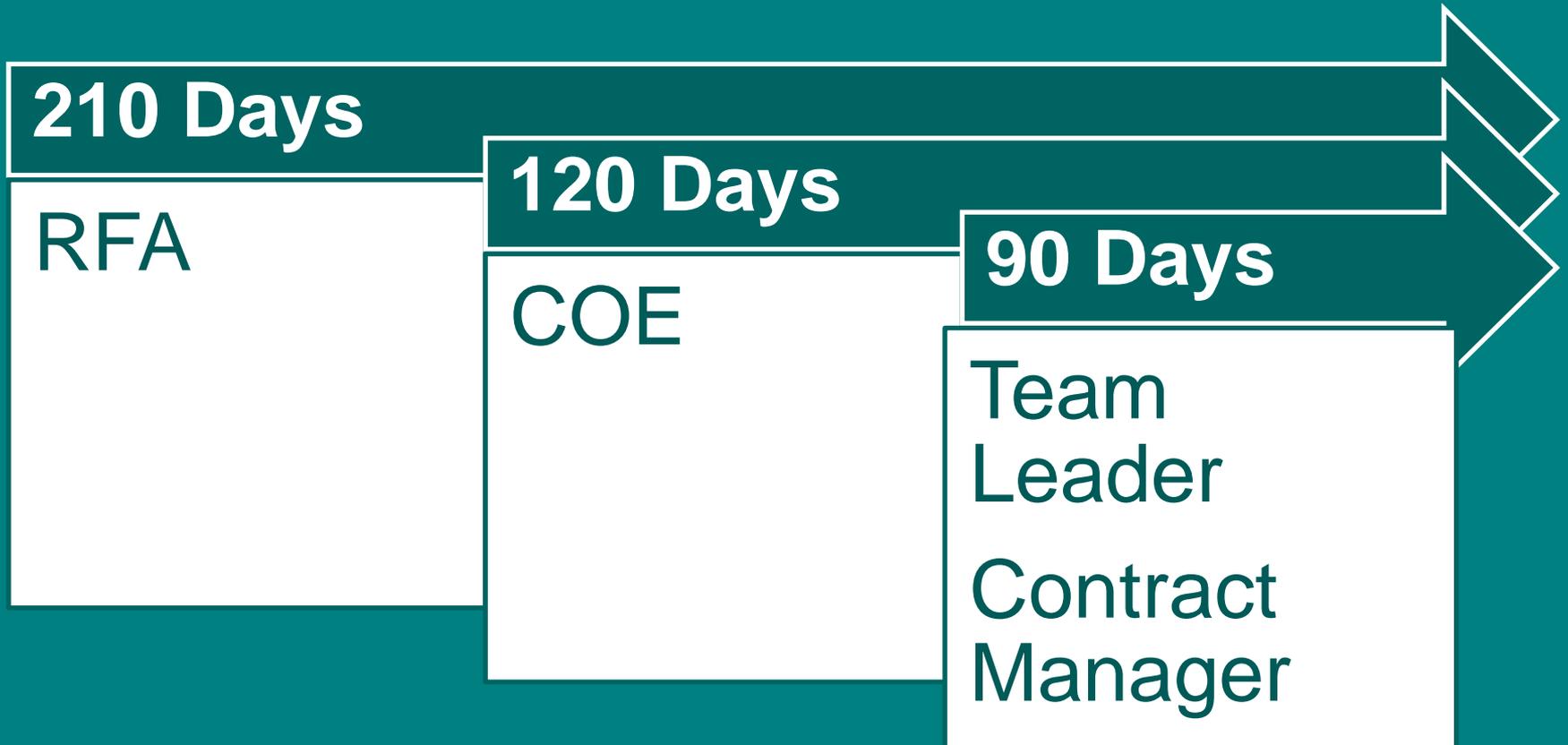
60 Days

Budget

Director

Personnel

DIRM

Public Affairs

Budget & Analysis

OPCS

Legal

30 Days

Budget Office 2

To Contractor for signature

Division Director / Designee

NC Grants / CRIS

Encumbrance in NCAS

Executed Contract mailed

Impact on Timelines

These items may increase the timeline from Award to Contract Execution.

- Open Window entry takes time, planning and practice.

- Joint Legislative Commission on Governmental Operations: Committee Meetings for the New Grants Legislation may not be scheduled or your grant may not be approved timely.

- Budget Revisions and validation of Budget Codes may be required – talk to your Budget Officer to minimize delays.

- External Reviews – allow at least 30 days for each entity to approve.

Contracts Executed after the Start Date

Office of Procurement and Contract Services (OPCS) states: A fully executed contract must be signed and dated by the contractor and division director prior to the effective date of the contract and/or before work begins.

- Exceptions must be justified in writing to the director of DHHS Division of Budget and Analysis who must approve any exceptions to this policy.

Office of State Budget and Management (OSBM) states that contract must be executed prior to payment.

- Contracts signed after the effective date require approval from Budget and Analysis (B&A) before the Controller's Office will pay the initial invoice.

Contract Funding

- Work with the Budget Office to validate codes and ensure funds are available <u>prior</u> to submission to COE and the Contracts Office.

- Funds must be budgeted in the correct requirement account and fund.

- Budget revisions take time. Work with your Budget Officer to ensure your expectations are realistic.

State Funds and the State Fiscal Year (SFY)

- The State Fiscal Year runs from July 1 – June 30. However, the service period is June 1 – May 31.

- Use of State Dollars – one penny of State dollars means contract <u>must</u> run on the service period aligned with the SFY (June 1 – May 31).

- As a general rule, DPH does not permit Multi-Year Contracts for budgeting reasons.

Federal Funds

Federal awards may be subject to approval by the Joint Legislative Commission on Governmental Operations, known as Gov Ops. Per the 2013 Appropriations Act, S.L. 2013-360 (as amended by S.L. 2013-363).

Office of State Budget and Management must consult with the Commission prior to allowing State agencies to expend grant funds not previously appropriated when:

      a. The grant is for $2.5 million or more, or

      b. The grant requires State matching funds, or

      c. The grant will be used for a capital project.

Federal Funds

- Contracts with 100% Federal funds should run on the Federal budget period.

- In nearly all cases, the Notice of Award (NoA) must be received before the Budget Office will sign off on a contract utilizing those funds.

- Contract Administrators should be familiar with the terms and requirements of their grant.

Federal Omni-Circular

- The Federal Omni-Circular is a document published by the U.S. Office of Management and Budget on 12/26/13, which supersedes and replaces a number of regulatory circulars.

- Federal grant awards and cooperative agreements and new funding increments issued on or after 12/26/14 are subject to the Omni-Circular.

- Omni-Circular Section 200.331 requires pass-through entities (DHHS) to honor subrecipients' (Contractors') federally recognized indirect cost rates on FA contracts – applied to the federal funds used in that contract.

- Contractors must submit their Federal Indirect Cost Rate Letter (FNICR) with their budget.

- Where no federal rate exists, Contractors may charge a 10% *de minimis* indirect cost rate with no additional documentation so long as grant restrictions do not preclude it.

  E.g., if your Federal Grant states that indirect cost may not exceed 5%, then the Contractor may not claim more than that regardless of their FNICR or the *de minimis* rate.

How does the indirect cost regulation apply when a subaward uses federal and state/other funds?

- Where a financial assistance award using federal funds also uses state/other funds to meet a federal matching or FFP requirement, the use of non-federal funds must mirror the use of federal funds. The same indirect cost rate applies to the entire award.

- Where a financial assistance award using federal funds also uses state/other funds by choice, not as a matching requirement, the regulation applies only to the federal funds used. The award may apply the subrecipient's federal rate to the federal funds, and a lesser or zero rate to the state/other funds.

- Omni-Circular Section 200.331 also requires every subaward (FA contract) to include specific grant information which will be collected on the Federal Award Worksheet for FA Contracts.

- An FAQ regarding the Omni-Circular may be found on the Open Window Home page under the "New Highlights" section or click here for the link.

Source:
http://dhhsopenwindow.nc.gov/Documents/Omni-circular%20Questions%20updated%2004%2021%202015.pdf

Center of Excellence (COE)

The purpose of the Center of Excellence is to ensure the contract is needed, ensure contract is performance-based and evaluate past performance of Contractor.

Contracts/amendments must be reviewed by the designated COE committee per Branch policy.

The COE Chair should develop a schedule and COE review plan for all contracts and amendments.

It is the Contract Administrator's responsibility to ensure documents have been checked for quality prior to presentation at COE.

COE Review

- Contract Administrators should submit quality contract documents to the COE for review as COE reviewers should not be spending time correcting typos, rewriting scopes of works for grammar and reworking budgets for arithmetic.

- The contract documents must be submitted to COE reviewers at least three (3) days prior to the COE meeting.

- If reviewers have not reviewed the materials prior to the meeting, then the COE Chair must reschedule the COE meeting.

- When Contract Administrators present new contracts/amendments/contract renewals, they should:

  - Provide a brief overview of the contract (i.e., background history & nature of contract)
  - Explain why this contract is needed

COE Review

When contract administrators present their contract renewals or extension amendments to COE, they should report on the progress made in the prior year's contract and current year's contract using the following as a guide:

- Were previous year's Outputs Measures met?
- Were previous year's Outcome Measures met? How did you verify?
- Did contract meet previous year's reporting requirements?
- Funding History: Did the contractor spend all the allocated funding or does it appear that the contractor is on target for spending all allocated funds? What is the % of unspent funds in the current contract?
- Does the contractor submit reports – including CERs - timely?
- Is the contractor in compliance (i.e. Suspension List, adhered to all certification requirements and assurances)?
- Are there any mitigating circumstances that might prevent full accomplishments?
- Is this contract eligible for renewal (or is the 3-year cycle complete)?

COE Review

COE reviewers must review documents to ensure they are correct:

- Justifications should be clear and concise and address all of the questions.

- In the case of a Sole Source contract, has the Contracts Manager approved the Justification and Waiver of Competition?

- Contracts must be performance-based (containing all of the required measures) and the performance measures are adequate.

- Measures should correlate to the Scope of Work

- Budgets should be reasonable, prudent, correlate to the Scope of Work and comply with funding requirements.

Contract Process: Routing Soft Copies

Soft copies are the final computer files used for each contract document.

- Naming Convention:

25513CAF	Contract Approval Form
25513FAW	Federal Award Worksheet
25513Budget	Budget Worksheet

- Email all documents for a single contract in one email

- Email to Team Leader and copy the Contracts Repository: DPH.Contracts@dhhs.nc.gov

- Email Subject Line: include Contract # & Agency Name

Contract Process: Routing Hard Copies*

Hard copies are the final physical print-outs of each contract document.

- New and Renewed Contracts should have all the required documents printed out and inserted into orange folders. CAFs should be printed on pink paper.

- Contract Amendments must have all the required documents printed out and inserted into black folders. CAFs should be printed on blue paper.

- The CAF must be initialed by the Contract Administrator and signed by the Branch Head prior to submitting to the Contracts Office.

- Submit completed folders to the Contracts Office.

*Applies to Sections & Branches located on Six Forks Campus

EPI Routing Process

- Route the soft copies to the Contracts Office using the regular process.

- Team Leader submits a PDF version of the final contract package via email to the Contract Administrator

- Contract Administrator initials the CAF, and secures the Branch Head signature on the CAF and initials on the Justification Memo.

- Contract Administrator scans the signed documents as a PDF file and emails it back to the Team Leader.

Contract Forms

It is the Contract Administrator's responsibility to fully enter the contract in Open Window and fill out any necessary forms to accompany it. The Contract Administrator must ensure the correctness and quality of each item submitted.

- Contract Approval Form (CAF)
- Federal Award Worksheet (for FA or POS)
- Scope of Work Override
- Open Window Budget Worksheet

These and other forms may be found on the Contracts Unit website under the folder "Open Window Worksheets."

http://ncpublichealth.com/employees/contracts-forms.htm

Contract Approval Form (CAF)

Required for all contract packages.

The CAF serves as the routing and approval form for the contract package.

Contains critical information in one snapshot view.

Must be filled out accurately.

Federal Award Worksheet (POS)

For use with POS contracts.

Required when using federal funds.

Details the federal grant information.

Must be signed by the COE Chair.

Federal Award Worksheet for Purchase of Service (POS) Contracts
DPH rev 07/17/15

_____
Operations Manager's Signature and Date

Contract Nbr _____ **Amd Nbr** _____

_____
Legal Name of Contractor

Fill out one line below for each federal award used to fund this contract.

CFDA #[1]	CFDA Title[1]	Federal Award #[2]	Federal Award Name[3]	Grant Period[4]	R&D[5]	Federal Agency[6]	Amount per Award[7]
					No		
					No		
					No		
					No		
					No		
					No		
					Total Federal Funds in this Action[8]:		

[1] *CFDA #* is found on the Notice of Award (NoA). *CFDA Name* is the corresponding Catalog of Federal Domestic Assistance program title.
[2] *Federal Award #* is the Federal Award Identification Number (FAIN) found on the NoA, without any suffixes or prefixes.
[3] *Federal Award Name* is the project title or project description found on the NoA.
[4] *Grant Period* is the period of time when federal funding is available for obligation found on the NoA.
[5] *R&D?* Default answer is "No." If the federal award is considered Research and Development, change to "Yes."
[6] *Fed Awarding Agency* is the complete name of the federal entity issuing the award.
[7] *Amount per Award* is the amount from this award that is obligated for this one contract or amendment.
[8] *Total Federal Funds in this Action* is the total amount of all federal awards that are obligated for this one contract or amendment.

Federal Award Worksheet (FA)

For use with FA contracts

Required when using federal funds.

Details the federal grant information per requirements in the Federal Omni-Circular.

Must be signed by the COE Chair.

Federal Award Worksheet for Financial Assistance (FA) Contracts
DPH rev 07/17/15

Operations Manager's Signature and Date

Contract Nbr | Amd Nbr | $ ___ Total Amount of Federal Funds Obligated to the Contractor[1]

Contractor's DUNS Nbr[2] | Contractor Legal Name

Fill out one of the award grids below for each federal award used to fund this contract. Use 2nd page only if needed.

FAIN[3]	Grant Period[4]	Federal Award Date[5]	$ Total Amount of Fed Awd[6]
Federal Award Project Description[7]	Federal Awarding Agency[8]		
CFDA Nbr[9]	CFDA Name[9]		
No Is the award R&D?[10]	Federal Award's Indirect Cost Rate[11]	$ Amount of Federal Funds Obligated by this Action[12]	

FAIN[3]	Grant Period[4]	Federal Award Date[5]	$ Total Amount of Fed Awd[6]
Federal Award Project Description[7]	Federal Awarding Agency[8]		
CFDA Nbr[9]	CFDA Name[9]		
No Is the award R&D?[10]	Federal Award's Indirect Cost Rate[11]	$ Amount of Federal Funds Obligated by this Action[12]	

[1] Total Amount of Federal Funds Obligated to the Contractor is the total of all federal funds obligated for this contract and all of its amendments.

[2] Contractor's DUNS Nbr is found in Open Window under View Contractor Record feature (very bottom of contract main screen).

[3] FAIN is the Federal Award Identification Number found on the Notice of Award (NoA), without any suffixes or prefixes.

[4] Grant Period is the period of time when federal funding is available for obligation found on the NoA.

[5] Federal Award Date is the issue date of NoA or the date the NoA was signed. (Exceptions apply to grants paid in installments.)

[6] Total Amount of the Federal Award is the entire amount of the federal award on the NoA made to the state for the length of the project period. If this is not listed, enter the entire amount of the federal award made to the state for the budget period.

[7] Federal Award Project Description found on the NoA, is the project title or project description.

[8] Federal Awarding Agency found on the NoA, is the complete name of the federal entity issuing the award.

[9] CFDA Nbr is found on the NoA. CFDA Name is the corresponding Catalog of Federal Domestic Assistance program title.

[10] Is the Award R&D? Default answer is "No." If the federal award is considered Research and Development, change to "Yes."

[11] Federal Award's Indirect Cost Rate found in grant rules. If the federal award has specific limitations on administrative costs for either the state or its contractors, state limitations here. Otherwise write "N/A" as DHHS has an approved cost allocation plan.

[12] Amount of Federal Funds Obligated by this Action is the amount from this grant that is obligated for this one contract or amendment.

Contract Justification Memo

- Justifies the need for the contract.

- Describes who is served and the outcomes that are expected to be achieved.

- Explains how the contract was procured.

- Defends the contract renewal.

- Describes the Contractor's qualifications.

- Part of Open Window entry.

Scope of Work (SOW)

- Describes the Scope of Services the Contractor is responsible for providing.

- Outlines the contract deliverables and how they will be achieved within the timeframes.

- Explains how the Contractor will be monitored and reimbursed.

- When listing Contractor responsibilities, please use the word "shall" instead of "will".

- Use an outline list – NOT bullets.

Scope of Work - Override

This form is designed to "override" the SOW section in Open Window.

N. C. Department of Health and Human Service
Division of Public Health

SCOPE OF WORK

BACKGROUND
What is the primary goal or mission of the program? Delete all gray text before uploading file into Open Window.

Comparison Data:
Enter any national or state level statistics that can be used as reference points to your demand measure for the contract's catchment area.

PURPOSE
What is purpose of this specific contract? Delete all gray text before uploading file into Open Window.

COUNTIES
This contract serves the following North Carolina County(ies):

PERFORMANCE REQUIREMENTS
Who (population served or impacted: define the number of unduplicated participants)?
What (activities, tasks, services, deliverables)?
When (timeframes)?
How (How is the service provided?)
Where [define service area(s)]? Delete all gray text before uploading file into Open Window.
The Contractor shall, for XXX unduplicated participants:

PERFORMANCE STANDARDS
What is the performance expectation? Details any reporting due, timeframes, methods, etc.
How will this contract accomplish desired result? Delete all gray text before uploading file into Open Window.
The Contractor shall:

PERFORMANCE MONITORING / QUALITY ASSURANCE PLAN
How will performance be monitored? For each scope item and measure, indicate when it is to be reported upon; how it's to be reported; to whom it's to be reported; etc.
What if performance is below expectation? Note interventions to address performance. The following is standard language. If this is not applicable to your contract, please delete and replace with relevant information. Delete all gray text before uploading file into Open Window.

This contract will be monitored according to the following plan:
Deliverables shall be monitored by site visits and required reports. The Contractor agrees to participate in periodic site visits as needed (with a minimum of one per year) as determined by the Program Manager. If the Contractor is deemed out of compliance, program staff shall provide technical assistance; and funds may be withheld until Contractor is back in compliance with deliverables. If technical assistance does not prove beneficial, the contract may then be terminated.

REIMBURSEMENT
What are the terms of payment? Define the plan for reimbursement of services. Do not repeat language from the contract cover. The following is standard language. If this is not applicable to your contract, please delete and replace with relevant information. Delete all gray text before uploading file into Open Window.

CERs must be submitted even when no expenses are incurred in a given month. Failure to submit monthly sequential reports may delay receipt of reimbursement.

Performance Measures

- Performance measures are tools that provide a powerful means of focus within an agency by assuring that goals are on track.

- The Performance Measures Worksheet is designed to mimic the Open Window data entry format.

- Using the worksheet will help you plan out your measures and ease the entry into Open Window – especially if it is your first time designing and entering this data.

Required Performance Measures

- Demand
- Input
- Output
- Outcome
- Service Quality
- Efficiency

S.M.A.R.T. Measures
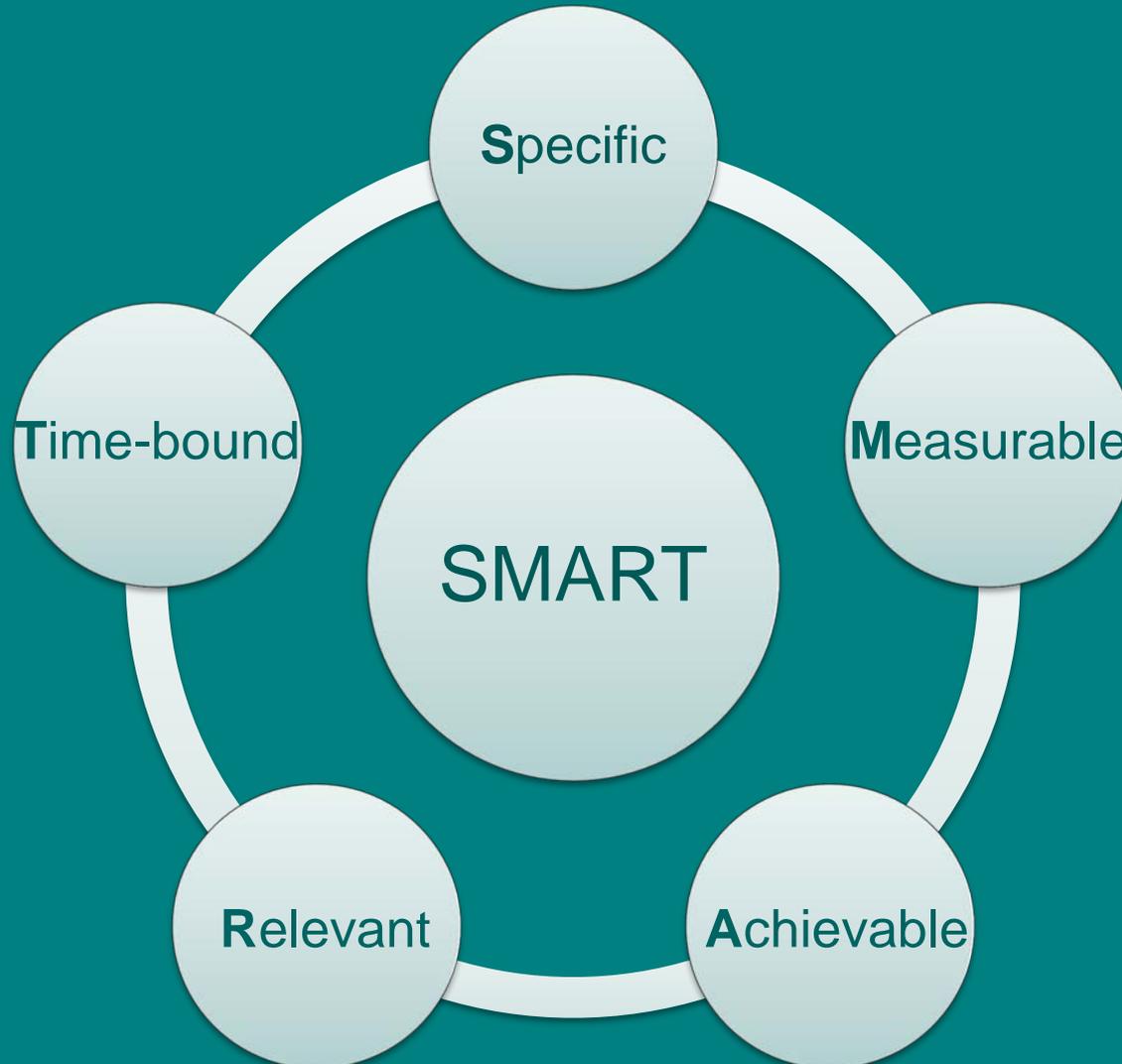
Demand Measures

- Supports the need for the service – What is the problem?

- Defines how many people in Catchment Area need the service.

Demand Measures - Example

Includes statistical evidence that supports the need for the service.

Can be considered a "waiting list."

Expressed as a number.

NC:
- In 2009: 2,022 new HIV/AIDS cases
- 23.3 cases per 100,000
- 30% of new cases also present with AIDS diagnosis

Service Area:
- 2009: 65 HIV Cases in the 4 Counties comprising the Service Area: Sunshine County, Mountain County, Wildflower County, and Finch County.

Need:
- Currently, 150 individuals in catchment area are in need of service.

Input Measures

- Resources allocated to the Contract.

- Typically stated in the Budget. Comprised of 2 elements:

  - Contract's total dollar (not to exceed) amount

  - Number of Full Time Equivalents (FTEs) working on the project.

- Expressed as a dollar amount AND the total number of FTEs.

Input Measures - Example

$100,000
2.5 FTEs

Total amount of the contract.

Total Full Time Equivalents (FTEs)

Output Measures

- Defines the services provided under the contract – What steps will be taken to solve the problem?

- Defines how many unduplicated participants will be served and <u>quantifies</u> the Program-related deliverables.

- Typically expressed as a Number or Quantity.

Output Measures - Example

Defines the number of <u>unduplicated</u> participants or clients in the program.

States the services and <u>quantity</u> of the services provided.

Expressed as a number.

- Serve a total of 75 unduplicated participants (55 existing clients and 20 new clients will participate):

- Provide information to 75 participants about self care, risk reduction, and referrals (as needed) to medical care/other services for HIV+ clients.

- Provide at least two CD 4/ Viral Load test results during contract period (one at baseline, one at discharge from project).

- Provide transportation to 12 participants living in rural catchment areas (residing at least 20 miles from clinic) to and from clinic using the Center's passenger van.

Outcome Measures

- Defines the results achieved from the contract's inputs and outputs.

- How will the program effect the problem? What is the benefit and/or result of doing the work?

- Do NOT restate the Outputs.

- Typically expressed as a Percentage or Rate.

Outcome Measures - Example

Defines the results achieved from the contract.

Expressed as a % or rate.

100% of participants shall learn two ways to prevent the transmission of HIV. Evidenced by pre- and post-tests.

75% reduction in missed medical appointments, when transportation is provided. Evidenced by Contractor reporting.

80% participants (n=60) shall experience at least a 5% increase in CD4 count and a 2% decrease viral load lab values. Evidenced by data captured in CAREWare.

Service Quality Measures

- Defined as how well the service was delivered, based on characteristics important to the recipient.

- Used to determine if we are meeting the expectations of the recipient of the services.

- Takes the form of:
    - Timeliness
    - Accuracy
    - Meeting regulatory requirements
    - Courtesy

Service Quality Measures - Example

Defines how well the service was delivered, based on characteristics important to the recipient.

Describe in the form of timeliness, accuracy, regulatory requirements, courtesy, and meeting recipient's needs.

- All staff provides clients/patients with care in a respectful manner compatible with their cultural health beliefs, practices, and preferred language.

- Provide results of tests to clients within 2 weeks of testing.

- Maintain confidentiality for all participants in the program.

- Provide safe and reliable transportation; Driver is licensed to transport persons in the state of North Carolina.

- Clients using provided transportation shall arrive 15 minutes prior to scheduled appointments.

- Medical services shall be provided by clinicians who are licensed to practice in North Carolina.

Efficiency Measure

- The cost per unduplicated participant who receives program services

  OR

- The cost per result (such as an evaluation or a study).

- Expressed as a dollar amount.

Efficiency Measures - Example

$100,000 ÷ 75 unduplicated participants = $1,333.33 per participant.

Cost per unduplicated participant or result.

Expressed as a dollar amount.

Contractor Budget

- A Contractor Budget is required for all contracts that contain funding.

- Provide a cost justification for each line item in the "narrative" section.

- The budget and budget narrative must correspond to the proposed activities set out in the SOW.

- Allowable Expenditures must follow the rules of the grant/legislation.

- Gift cards, travel vouchers, etc. as incentives must include tracking language in the SOW Performance Standards section.

- If Indirect Costs are allowable and included, the Contractor must provide a current, valid Indirect Cost letter.

- Absolutely NO usage of the following words: catering, celebrations, consultants, flowers, honorariums, parties, rallies, holidays, etc.

Cost Negotiations

- Costs should be reasonable and prudent.

- Items to be negotiated may include:

  - Equipment purchases

  - Incentives: should not be the bulk of the budget

  - Travel: may <u>not</u> exceed State rates; double occupancy is an option; Contractor may use non-DPH funding sources for travel

State Reimbursement Rates

State Rates as of 7/1/15:

Mileage: $0.575/mile
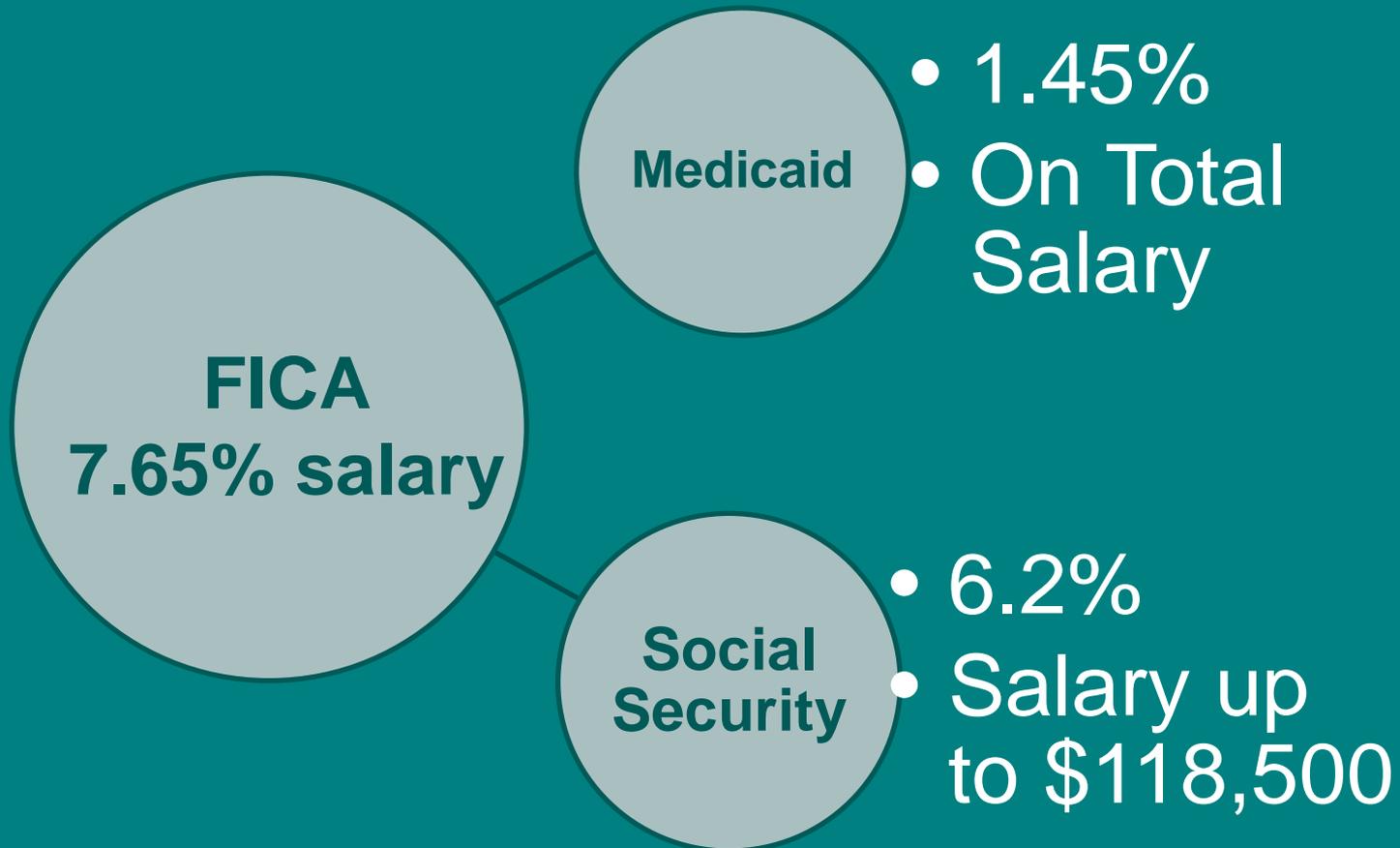
Breaks: $4.50 per person

	In-State	Out-of-State
Breakfast	$ 8.30	$ 8.30
Lunch	$10.90	$10.90
Dinner	$18.70	$21.30
Lodging	$67.30	$79.50

Source: http://www.osbm.state.nc.us/

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Benefit and Salary Caps

Federal Insurance Contributions Act (FICA)

Medicaid
- 1.45%
- On Total Salary

FICA 7.65% salary

Social Security
- 6.2%
- Salary up to $118,500

Benefit and Salary Caps

Federal Executive Level II

Consolidated Appropriations Act, 2014 (Public Law113-76) restricts the amount of direct salary of an individual under an NIH / DHHS* grant, cooperative agreement or applicable contract to Executive Level II of the Federal Executive Pay Scale.

Currently: $181,500.**

*Agencies include ACF, AHRQ, AoA, ATDSDR, CDC, CMS, HRSA, HIS, NIH, NIS and SAMHSA.

** As of 1/12/14. May change with Federal FY2016 appropriation.

Budget Narrative

- The budget narrative must detail the calculations used to derive the line total

- Program staff must check behind the contractor to eliminate arithmetic errors.

- Activities should link back to the SOW but, not be described in full in the Budget Narrative.

- What does an adequate budget narrative look like?
  - What is it?
  - How many?
  - How much?
  - For what purpose?
  - Calculations make sense and are easy to follow/recreate.

Is this an adequate narrative?

Dell laptop computers = $1,018.

What's missing?

- Adequate narrative

    Dell 13" laptop computers: 1 each for the 2 regional program coordinators to use in the field to enter data into the web-based tracking system. 2 x $509/each = $1,018.

Open Window Budget Worksheet

- Open Window specifies budget categories

- The Open Window Budget Worksheet is designed to mimic the OW data entry format.

- Having the Contractor use this form will ease the entry into Open Window.

- A "How-To" document is also available to forward to Contractors.

Contract Amendments

Any change to the Contract must be completed through a contract amendment process, such as:

- Adding/subtracting funds
- Extending/shortening the contract period
- Revising the contract deliverables, number of people served, changes in performance measures, etc.

When writing the Amendment SOW and Performance Measures, please include ONLY the information that has been:

1. changed;

2. deleted from contract; and/or

3. added to contract

Amendment Budgets

A three-column budget must be included with along with a budget detail and narrative for the new funding.

The three column budget designates:
- Current Approved Budget (including any budget realignments)
- Amount of Change (using amended funds)
- New Revised Budget (combined total)

All items in the Amendment Budget column must be justified.

Contract Budget Realignment

- When funds allocated within the budget need to be reallocated for another purpose, a contract budget realignment may be issued.

- Contract budget realignments move funds from one category to another.

- Budget Realignments CANNOT be used to:
    - Change the total contract amount
    - Add a new line item or category (such as computer equipment)
    - Change the Scope of Work or contract deliverables

- E.g.: $2,500 originally allocated in "Personnel", but Contractor wishes to move that money and add it to their existing "Supplies". The total dollar amount of the contract does not change.

The approved realignment must be sent to your Team Leader.

Please Note: Funds causing the line item "Computer Equipment" to exceed $5,000 may NOT be added without prior approval from DIRM through the Contracts Office.

Contract Expenditure Reports (CERs)

CERs are invoices for the reimbursement of services provided under the contract.

- CERs must have <u>original</u> signatures (no copies faxes or stamps), be complete, accurate, and signed by an authorized agency representative.

- CERs are signed off by Program, then routed to the Contracts office for review and approval. Once approved, they are routed to the Controller's Office for payment.

CERs

- CERs must be submitted by the 10th of each month for previous month's expenditures – even if the amount is $0.00.

- CERs must have original signatures (blue ink).

- Contractor Name on CER must match the name on the executed contract.

- CERs for State Funded contracts ending on May 31st are due in early June.

- CERs for Federally Funded contracts are due 30 days after the Contract End Date. (Except for public universities which have 60 days from the end date.)

CER Routing

- When submitting CERs to the Contracts Unit be sure to have the following NCAS sheets attached:
  - PLF: PO Line Financial Information
  - PMI: PO Invoice Matching Information

- When "Funds Checking" is turned on, in NCAS, the Available Funds Inquiry (162) must also be attached.

- If the 162 shows a negative amount, you will need to contact your Budget Officer to correct the negative amount – prior to routing the CER to the Contracts Office.

CER Review & Approval

When reviewing CERs for approval, the CER must have:

- The correct NCAS (PO) number
- Available funds in the NCAS PO line
- Available funds in the budget account
- Authorized items in the budget
- Original signatures
- Authorized signatures
- Prior month's CER has been submitted

CERs should be reviewed and approved in a timely fashion.

Late Expenditure Payment Request Form

- If a Contractor submits a CER past the deadline (30 days past the contract end date; or 60 days past the contract end date, if a public university), then a Late Expenditure Report Form must be submitted to the Contracts Office along with the CER.

- The late CER cannot be approved for payment until the Budget Office signs the form.

Change Request

Occasionally, there is a need for changing the original account/center codes, funding source or funding year originally defined in a contract. This is called a Change Request (fka Code Change).

If you respond yes to either one of these questions below, a Change Request Memo must be processed.

Questions:
1. Are the account/center codes on the approved Contract Approval form changing from the original submission?
2. Is the original funding source (type of funds) of your contract changing?
3. Is the change an equal change of funds (dollar for dollar)?

Neither the DPH Contracts Office nor the DHHS Controller's Office will change account/center codes without receipt and approval of this letter.

Funding and Expenditures: Forms

All of these forms may be found on the Contracts Unit website:

- Contract Expenditure Report (CER)

- Late Expenditure Payment Request Form

- Change Request Memo

- Budget Realignment Form

http://ncpublichealth.com/employees/contracts-forms.htm

Monitoring

- Reporting Due Dates - ensure that your Contractor submits all reports on time, as detailed in the Scope of Work.

- CER timeliness - CERs must be submitted by the 10th of each month for previous month's expenditures – even if $0.00.

- Ensure services are being provided in accordance with the executed contract.

- Corrective Action – must be taken if Contractor fails to meet expectations.

- High Risk Contractors – must be monitored more heavily with the goal being to reduce risk.

Terminating a Contract

- There are several reasons to terminate a contract:

  - Poor performance
  - Funding is no longer available
  - Mutual agreement with Contractor

- Notify the Contracts Manager via email and copy the Team Leader; include DPH contract number and reason for termination.

- The Contracts Office issues a termination letter, signed by the Director Designee, informing the Contractor of the termination.

Contract Close Out

- When the final accounting is complete, the Contract Administrator and/or Operations Manager confirms that all CERs have been paid and then requests the Contracts Encumbrance Officer to close the Purchase Order (PO) in NCAS.

- The Contracts Office closes the contract in NCAS and in all active system databases.

- In addition to any grant reporting and monitoring activities, Program is responsible for entering Actual values to Performance Measures in OW.

Helpful Website Addresses

NC DPH Contracts Unit:

http://ncpublichealth.com/employees/contracts-forms.htm

NC DHHS Open Window:

http://dhhsopenwindow.nc.gov/

NC Office of State Budget and Management:

http://www.osbm.state.nc.us/

Additional Training

Additional Contracts Training presentations may be found on the DPH Contract Unit Forms website:

http://ncpublichealth.com/employees/contracts-forms.htm

Budget Training PowerPoint:
Contracts Forms Website → Contracts Training Folder → Budget Workshop Fall 2013

http://ncpublichealth.com/employees/forms/contracts/training/BudgetWorkshopFall2013.ppt

Scope of Work and Performance Measures Training PowerPoint:
Contracts Forms Website → Contracts Training Folder → Scope of Work and Performance Measures Workshop Fall 2014

http://ncpublichealth.com/employees/forms/contracts/training/SOW-PM-TrainingFall2014-rev120914.pptm

Additional Resources

Resources found on the DPH Contracts Forms website:

- Required Forms
- Open Window Worksheets
- Open Window Entry Guide

http://ncpublichealth.com/employees/contracts-forms.htm

Contracts Team Leaders:

David Skordinski – Children & Youth, ALCS, Environmental

Vacant – Chronic Disease, IPHQ, Minority Health

Jeneen Preciose – Women's Health, Nutrition

Rhonda Moyer – Epidemiology, State Lab