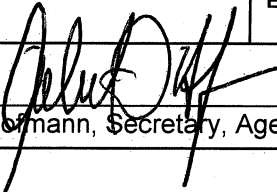


STATE OF VERMONT
Agency of Human Services (AHS)

Contracts for Services	REVISION HISTORY: 8/92 10/5/09	Chapter/Number 1.08
	EFFECTIVE DATE: 10/7/09	Attachments/Related Documents:
Authorizing Signature:  Date Signed: <u>1/20/10</u> Robert D. Hoffmann, Secretary, Agency of Human Services		

PURPOSE:

This policy establishes uniform procedures for the development, processing and review of all Agency contracts.

BACKGROUND and RATIONALE:

The first Agency of Human Services Bulletin on procedures for contract development was issued in May of 1974. Since then the number and complexity of contract issues, as well as total funds committed through contracting, have grown significantly. It is essential that mechanisms be established so managers may develop the wide variety of contracts needed to achieve individual program objectives. Likewise, we should avoid duplication of effort, utilize available resources, and assure quality delivery of product or services (thereafter termed services).

New initiatives for contract performance and program evaluation from the executive and legislative branches of government necessitate revisions to prior Agency Bulletins and establish more specific contract guidelines.

STANDARDS:

In accordance with the provisions of Agency of Administration Bulletin No. 3.5, the agency supports the following principles:

1. Contracts should be bid whenever possible. An exception is made during an emergency or if the bidding process would be injurious to the interests of the state.
2. All contracts involving information technology, data transfers, web applications, and access to state equipment must be approved by the agency's Chief Information Officer.
3. Other reviews may be required as they are developed by the Agency of Human Services, or Agency of Administration.

Contract Manager: Each Department and Office head shall appoint a contract manager who shall have overall responsibility for contract activity. This responsibility shall include monitoring the contract process and compliance with Agency of Human Services, Attorney General's Office, Agency of Administration, and Legislative directives. A department head and contract manager may delegate specific provisions of contract implementation, review, and monitoring to other individuals, but overall contract accountability for compliance with this policy rests with the department head.

Contracts: For purposes of this policy, a contract is a written agreement between an authorized agent of the State and a potential service provider that covers the delivery of products or services to agency clients, employees or programs as described in Agency of Administration Bulletin No. 3.5 (dated July 15, 2008). Within the Agency of Human Services, those authorized to enter into contracts include the Secretary and the Deputy Secretary of the Agency. Those with signing authority also include a department commissioner and deputy commissioner and the head of the Office of Vermont Health Access.

INFORMATION/PROCEDURES:

- A. All contracts for service between any organizational unit attached to or part of the Agency of Human Services must be reviewed and approved by the Office of the Secretary. Proposed contracts and contract amendments, once completed and reviewed by the Attorney General and Commissioner (or deputy), must be forwarded to the Secretary's business office for further processing.
- B. The Chief Financial Officer (CFO) for the Agency shall be the contract manager for the Secretary's Office, unless otherwise designated.

In addition, the Secretary, or designated staff member, shall have overall responsibility for individual department compliance with approved contract policy and shall have authority to require a department head or contract manager to revise, modify, or temporarily cease the development of an individual contract which is judged to be out of compliance with agency policy, or with Agency of Administration Bulletin No. 3.5.

- C. Each department or office head shall designate a contract manager for the unit and notify the Secretary, or designated staff member, when a change in designee occurs.
- D. All department or office heads shall comply, at a minimum, with procedures outlined in Agency of Administration Bulletin No. 3.5.
- E. Any contract, no matter what the dollar value is, will be submitted to the Secretary's office for review and approval by the Office of the Secretary in advance of execution. All contracts in excess of \$5,000 will also be submitted to the Assistant Attorney General's office for approval "as to form" prior to its submission to the Secretary's office. Contracts less than \$5,000 may be prepared as a shortened form ('letter of agreement' – or some other form) and may be submitted to an Assistant Attorney General for review, as well. It is important to remember that for formal contracts (AA-14, standard contract format) Attorney General approval will be required when the total dollars obligated to a single provider by an individual department or office will exceed \$5,000 during a fiscal year. For example, if two contracts are written with the same provider, each totaling \$2,500, the department or office will be required to follow the formal contract review process for each agreement since the total anticipated obligation for the year will exceed \$5,000.

- F.
- I. Bid contracts totaling of \$250,000 or less, or amendments not requiring the Secretary of Administration's approval.

 - Contracts must be reviewed and approved "as to form" by the Attorney General's Office and approved by the department or office head before being submitted to the Secretary's office for review and approval.
 - The AA-14, original, and one copy of contract is then reviewed by the Secretary's office and is approved by the Secretary (or deputy) who signs the AA-14.
 - Once approved, it is then returned to the department or office of origin for contract signatures. The department or office is responsible for obtaining the signature of the contractor in advance of the department head, and for distributing any desired copies. A copy of the AA-14 is returned to the agency business office for VISION approval.
 - II. Bid Contracts of more than \$250,000 or amendments requiring the Secretary of Administration's approval.

 - Contracts must be reviewed and approved "as to form" by the Attorney General's Office and approved by the department or office head before being submitted to the Secretary's office for review and approval and further processing.
 - The original and a copy of the AA-14 and one copy of contract (and previous amendments) are reviewed by the Secretary's office and then submitted to the Secretary of Administration.
 - A contract number is affixed and the complete contract package and one copy are forwarded to Finance and Management for review and signature of Secretary of Administration on the AA-14. Finance and Management will return the entire package to the Secretary's business office.
 - Once approved, it is then returned to the department or office of origin for contract signatures. The department or office is responsible for obtaining the signature of the contractor in advance of the department head, and for distributing any desired copies. A copy of the AA-14 is returned to the agency business office for VISION approval.
 - III. No work may be performed until the contract receives necessary approvals as detailed in this policy. In an emergency or other unforeseen situation, it may be necessary to authorize service prior to receiving the Secretary's approval. These cases shall be documented in a cover letter when forwarding the written contract for retroactive approval.
 - IV. The Secretary, or designated staff member, shall work directly with the department or office head or contract manager as part of this agency review process. This review takes into account agency and department objectives, fiscal and program integrity, and opportunities for interdepartmental sharing of resources.

- V. Designated staff members, shall regularly meet with contract managers, representatives of the Agency of Administration and representatives of the Attorney General's Office to monitor agency performance in regard to the contract process, and may provide technical assistance to contract managers, conduct on-site reviews and periodically audit individual department contracts.
- Contract documents should follow the format detailed in Agency of Administration Bulletin 3.5, revised July 15, 2008, a copy of which can be found at:
<http://www.adm.state.vt.us/pdf/bulletin-3.5-12-29-06.pdf>
- VI. The Secretary, or designated staff member, shall notify contract managers and their staff within the agency on all updates in agency requirements, attachments, and other items and post updated and new materials on the agency website:
http://intra.ahs.state.vt.us/centralsupport/contractsgrants_admin/links
- VII. The Agency of Human Services has standardized attachments that have been approved by the Attorney General's Office and the Department of Finance and Management
- **B** – Payment Provisions contain some language tailored by the Agency.
 - **C** – Standard State Provisions are slightly different than those found in Bulletin 3.5 and have been approved for use in this agency. No changes are permitted except through a separate attachment and only with the approval of the Attorney General's office.
 - **D** – Modification to Attachments are on this form and takes precedence over Attachment C. This form must be signed by the Attorney General's office
 - **E** – Business Associate Agreement may be required as part of the contract
 - **F** – Standard Agency of Human Services provisions apply throughout the agency and should not be modified except with another attachment that takes precedence
 - **G** – Language that applies to specific academic institutions and has been agreed to by the University of Vermont.
- Other attachments may be added specific to department's needs.
- VIII. The Agency maintains a "Contract and Grant Administration" website on its intranet site, which should be consulted from time-to-time for information and subsequent use of updated attachments: http://intra.ahs.state.vt.us/centralsupport/contractsgrants_admin. Over time, we will seek to undertake more electronic transmittal of these documents.
- IX. Prequalified vendors: From time to time, the agency may have a host of vendors whose contracts require a statement of work of up to \$100,000. In such cases, the statement of work will be sent to all vendors approved for work in their respective chosen area. Once the final vendor is chosen, the statement of work is attached to the accompanying AA-14 for signature and review by the assistant attorney general and the commissioner or deputy. For those involving the Information Technology, the statement of work and AA-14 are also approved by the chief information officer. The secretary or designee will review and give agency approval to proceed with the scope of work for the project.
- X. No-bid contracts (sole source): Requests for approval of sole source contracts in excess of \$15,000 must also be approved by the Secretary of Human Services, before they are submitted to the Secretary of Administration under Bulletin 3.5.

Agency of Human Services Contract Policy - Review and Approval Requirements

Department Commissioner (or Deputy)

Approves all agreements and must sign all AA-14's

Assistant Attorney General

Approves all AA-14's. - Exceptions can be made for contracts \$5,000 or less.

Human Services' Secretary's Staff

Reviews all contracts - also approves, on behalf of the Secretary, AHS master contracts, and those under \$5,000

Human Services' Secretary (or Deputy)

Approves all AA-14's and Sole Source letters - Exceptions are those that are forwarded to Secretary of Administration.

Secretary of Administration (or Deputy)

Approves Sole Source requests in excess of \$15,000, and all AA-14's for: bid contracts in excess of \$250K, amendments when the total of all amendments exceed 25% of the original amount (15% if the original amount is \$250K or more), and any that require waivers of Bulletin 3.5.

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Approval of Marketing Officer is required for all marketing contracts in excess of \$15K

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Approval of Commissioner of Human Resources is required for contracts with persons retiring from state service within the past 12 months

Approval of Commissioner of Human Resources is required for contracts involving a person on payroll

Approval of Commissioner of Information & Innovation is required for all contracts of \$150K or greater

The Agency of Human Services' Chief Information Officer's approval is required on any contracts involving **information technology**, exchange of data, or use of websites.

Only a commissioner or deputy; the Director of OVHA, or the Secretary or Deputy Secretary may execute a contract or approve the AA-14.