

U.S. Department of Justice National Institute of Corrections

# Contracting For Community Corrections Services

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CONTRACTING FOR COMMUNITY CORRECTIONS SERVICES

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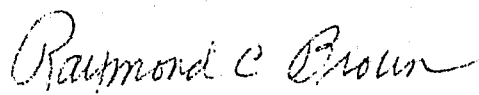
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## FOREWORD

In recent years private contractors have been providing a greater number of services for public agencies. This has been particularly true in the field of community corrections where administrators need to provide a greater variety of program resources to supervise offenders who have been placed in the community. Contracts have been let to provide residential programs, medical services, special counseling and drug treatment programs, as well as diagnostic and psychiatric services.

This publication is designed to assist community corrections administrators as they consider such issues as which programs they can provide through their own organizations and which programs can be provided more adequately through contracting with voluntary or non-profit organizations. The monograph is intended to provide administrators direction in assessing the needs of their agencies and deciding if contracting for services would be appropriate.



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## INTRODUCTION

The last decade has brought a significant increase in the use of contracts as a way of providing community corrections services. The community corrections field has, in fact, been in the forefront of the growth in the wide variety of goods and services being contracted for by states and local governments. This increased public/private cooperation stems from a number of interrelated pressures and challenges:

- Legislative targeting of services for selected client groups has meant that community based agencies have frequently been the only organizations available with service capabilities in these areas.
- Deinstitutionalization has encouraged local governments to purchase programs necessary to the reintegration process, e.g. residential, mental health, job placement, etc.
- Increased pressures for fiscal and political accountability have pushed states and particularly local government units to assess cost effectiveness, and private sector capability, as well as to adopt alternative service delivery mechanisms, relying where possible on the voluntary sector. In this area, union and pension system pressures have also been important sources of fiscal concern.

Today's community corrections agency has an increasing number of service delivery options. These are:

- Operating programs themselves.
- Issuing vouchers enabling eligible persons to obtain services from single or multiple vendors.
- Contracting with profit making organizations.
- Contracting with voluntary or non-profit organizations.

This final category, contracting with voluntary or non-profit organizations, represents an expenditure of \$7.3 billion, from federal sources alone, in 1980. This figure represented 58% of non-profit social service agencies' total budgets.\*

## CONTRACTING FOR COMMUNITY CORRECTIONS SERVICES TODAY

Contracts now exist for a wide variety of client and administrative services. Some are particular to the unique responsibilities of community corrections; others are contracting activities which are frequently shared with other local government jurisdictions. These include:

- Residential programs (including halfway houses, house arrest, restitution centers, juvenile facilities).
- Counseling and treatment programs (for general client groups, targeted offenders, victim offender reconciliation programs).
- Testing (from employment/aptitude to biological lab work, e.g. urinalysis).
- Administrative services (for data processing, recordkeeping, program evaluation services, etc.).

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\* Paul Terrell, "The Context and Practice of Contracting in the Welfare State," manuscript prepared for Contracting for Services seminar, NIC, August 1985.

## ORGANIZATION OF HANDBOOK

This handbook includes materials first prepared for an NIC seminar on Contracting for Services held in Boulder, Colorado, in August 1985. The authors were the staff members of that seminar and represent varied expertise in the contracting process.

The organization of the handbook is based on an understanding of contracting as a process of interlocking decisions. Each of the decision phases is critical to a successful contracting process. The total process cannot be "short circuited" without diminishing overall service delivery effectiveness. As an example, Requests for Proposals (RFPs) issued without the aid of a completed needs assessment process will result in unclear criteria and specifications and ultimately to less cost-effective delivery of services needed by the contracting agency.

The five chapters of the handbook are presented in sequence: the needs assessment process, make or buy decision process, request for proposal process, contract development, and contract management and evaluation. Throughout the handbook, short checklists or guidelines are provided which agencies can use as quick references for their own planning and evaluation process. The handbook also contains sample documents where appropriate. The National Institute of Corrections staff may be contacted for additional guidance.

## THE CONTRACTING PROCESS

Figure 1 depicts the multi-stage contracting process and can serve as a guide to anticipating and analyzing problems. When problems are encountered they may originate from one of two sources. Technical problems may result, for example, from an inadequate needs assessment process, where the methods used did not generate accurate data. The RFP may then be vague and not communicate to potential providers, for example, the nature of the population to be served. Political problems in the contracting process, on the other hand, usually signal communication failures, competition or turf battles, or lack of public understanding and support for the contracting process.

Although this handbook concentrates on avoiding technical problems, a technically flawless process can fail if there is a lack of awareness and responsiveness to the concerns of elected officials, other justice or corrections agencies, and community groups. Each step of the contracting process requires political sensitivity and each chapter in this handbook will provide specific suggestions to meet those challenges. The following are offered as general suggestions for increasing the success of the contracting process.

- Identify potential sources of support and resistance.
- Involve all those affected early and often.
- Use contracting as a way to build constituencies of support and information.
- Provide elected officials with accurate information through good staff work.
- Continue communication established during the early development of the project.

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graph TD
    A[CONTRACTING PROCESS] --> B[MAKE OR BUY DECISION]
    B --> C[NEEDS ASSESSMENT]
    B --> D[REQUEST FOR PROPOSAL]
    C --> E[What is need?  
What is available?  
What can we do?]
    E --> F[Does RFP reflect  
needs as defined?]
    F --> G[Selection  
of  
Proposal]
    G --> H[CONTRACT  
WRITING]
    H --> I[Do RFP, proposal, and  
contract agree? Are they  
contradictory or consistent?]
    I --> J[CONTRACT  
MANAGEMENT  
AND EVALUATION]
    J --> K[Does program  
follow contract?  
Is need met?]
    K --> E

```

Is it a technical problem?

- 3 -



## NEEDS ASSESSMENT PROCESS

Karen Smith Thiel

Needs assessment, the process of formally documenting the nature and extent of the gap between the demand for a service and the available supply, is the logical first step in the contracting process. Needs assessment information helps an agency to identify contracting opportunities and to determine whether to pursue them. The extent of need may channel an agency into either offering the service "in house" as part of its direct program services or deciding to "contract out" the service. The type and amount of work called for in the Request for Proposal (RFP) are structured by the information obtained in the needs assessment. Finally, contract development, management, and evaluation are facilitated by the needs assessment information.

Needs assessment is not only useful as input to the contracting process, but the information obtained from a well done needs assessment becomes valuable for a variety of other purposes. Information obtained during the course of a formal agency needs assessment should be incorporated as an integral part of all phases of the correctional agency's planning and evaluation process.

### NEEDS ASSESSMENT DEFINED

Bell et al. define needs assessment as "an environmental monitoring system designed to measure and make judgements about program relevance, adequacy and appropriateness."\* This definition incorporates the two basic components of all needs assessments: needs identification and needs assessment.<sup>+</sup> Needs identification is a technical information gathering process in which an agency collects information in order to describe the nature of the problem. In needs identification, client characteristics are described, existing services are catalogued, and information is collected which documents the demand for new or expanded services.

Formal needs assessment occurs after the needs identification component has been completed. Needs assessment is a process which involves values. Decisionmakers place a value on information, set priorities, and determine the relative importance of the needs identified. In summary, needs identification and needs assessment are two steps in the overall needs assessment process. Needs identification is a measurement process; needs assessment involves judgements based on values held by decisionmakers.

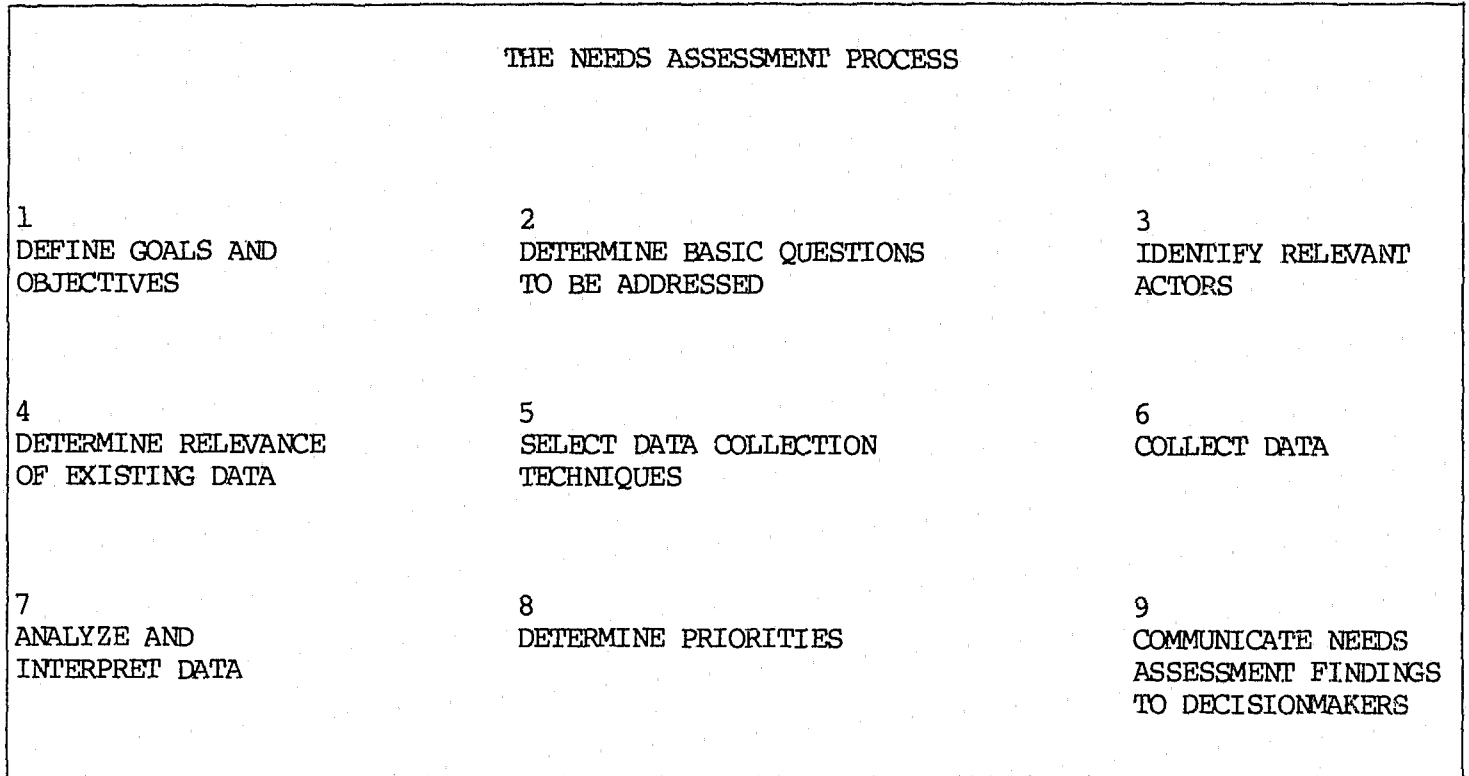
### THE NEEDS ASSESSMENT PROCESS

Needs assessment is a process; that is, a series of activities that occur over time in which each step logically leads to the next. The needs assessment process (see Figure 2) has nine basic steps: definition of goals and objectives; determination of questions; identification of relevant actors; examination of existing data; selection of data collection techniques; collection of data; analysis and interpretation of data; determination of priorities; and communication of findings.

\* Bell, Roger A., Tuan D. Nguyen, George J. Warheit, and Joanne M. Buhl. "Service Utilization, Social Indicator, and Citizen Approaches to Human Service Needs Assessment" in Attkisson, et al. Evaluation of Human Service Programs, New York: Academic Press, 1978.

<sup>+</sup> Siegel, Larry M., C. Clifford Attkisson, and Linda G. Carson. "Need Identification and Program Planning in the Community Context" in Attkisson, et al. Evaluation of Human Service Programs, New York: Academic Press, 1978.

Figure 2



Adapted from: Weil, Marie, "Needs Assessment in the Context of California Social Service Planning," Southwest Regional Laboratory, Los Alamitos, New Mexico, July 1979.

## Preparing for a Needs Assessment

Prior to undertaking a needs assessment, an agency should ask certain questions. These questions involve a determination of what the needs assessment is intended to accomplish, why the needs assessment process is being conducted, who are the relevant actors in the needs assessment process, where the information for the needs assessment is to be obtained and how the needs assessment information will be used by decisionmakers. Answers to these questions (see Table 1) not only structure the type of information to be collected during the needs assessment process, but they also help the agency set realistic timelines and work responsibilities for the needs assessment process.

What do we want to know? This question seems almost too simple but it is really the most difficult question an agency must ask. Defining the question prior to the implementation of the needs assessment will save the agency time and effort in the long run. For example, an agency may want to answer the general question, "What is the extent of drug use in this community?" Further discussion about this question may include: "Do we need information on all types of drug use? Do we want to include other forms of substance use? Are we interested in data for the population in general or only in data for specific age categories (e.g. 13-19 year olds) or client classifications (e.g. probationers)? Do we want data from all areas of the community or do we want data broken down by census tracts, neighborhoods, high crime areas, etc.? Do we want information collected at one point in time or are we interested in collecting information over time in order to document trends?"

Defining the question structures the tasks of the needs assessment. Information collected in the needs assessment process will answer clearly defined questions. Extraneous pieces of information will be rejected because they do not address the questions relevant to this particular needs assessment.

Why do we want to know it? Needs assessments may be conducted for a variety of purposes. Among the most common reasons for conducting a needs assessment are: allocating resources, planning and budgeting, directing programs, gathering data for budget and grant requests, presenting information for decisionmakers, and evaluating programs.

A needs assessment should not be initiated unless an agency is clear about its reasons for conducting the needs assessment. This is not to say that there can only be one reason for a needs assessment; in fact, thorough needs assessments often serve multiple purposes. What is important is for an agency to work to develop consensus on the real purpose(s) of the needs assessment.

Who are the relevant actors? Relevant actors in the needs assessment process are participants in the actual needs assessment tasks as well as the recipients of needs assessment information. These actors may include administrative and program personnel, agency data and evaluation staff, community service providers, professional consultants, clients, community residents, funding agencies, and public decisionmaking bodies such as city councils, county boards of supervisors, state legislatures, and the courts.

Where can we find the data? The first question that should be asked prior to the collection of needs assessment information is whether the agency can make use of existing data or whether the agency will need to collect its own data. The use of existing or "secondary" data may be a convenient, low-cost option for some needs assessment purposes. It is not necessary for an agency to "reinvent the wheel" if existing data can be analyzed or reanalyzed to answer the questions of the needs assessment. Common sources of existing data for community corrections are U.S. Bureau of the Census reports, the U.S. Department of Justice's Uniform Crime reports, U.S. Bureau of Labor Statistics' reports, and special state and local data bases generated for other studies. However, there may be problems associated with the use of existing data. The information may have been collected for administrative rather than research

Table 1

Questions to Ask at the Start of the Needs Assessment Process

- What do we want to know?
- Why do we want to know it?
- Who are the relevant actors in the needs assessment process?
- Where can we find the data necessary to answer our questions?
  - Can we make use of existing data?
  - Will we need to collect our own data?
  - Which needs assessment techniques are most appropriate given time and cost considerations?
  - Does the agency have the staff and dollar resources to perform a needs assessment?
  - What kinds of assistance will the agency require in performing the needs assessment?
- How can information obtained from the needs assessment be most effectively organized and presented to impact agency decisions?
  - What will decisionmakers in our agency want to know?
  - How receptive will the local community, providers, and other agencies be to our needs assessment?

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Adapted from: Bell, Roger A., Tuan D. Nguyen, George J. Warheit, and Joanne M. Buhl, "Service Utilization, Social Indicator and Citizen Survey Approaches to Human Service Need Assessment" in Attkisson, et al. Evaluation of Human Service Programs, New York: Academic Press, 1978.

purposes. Existing data may not have been collected for all clients or geographic areas. Finally the data may be presented in a format that is not suitable for the purposes of the needs assessment.

The agency's other options are to supplement existing data with information it collects or to design a methodology to collect original data for the entire needs assessment. If an agency opts to collect its own data, various needs assessment techniques should be examined. The agency should determine whether it has the internal staff and financial resources to undertake the data collection and analysis process and what types of external support it will require.

### Needs Assessment Techniques

Needs assessment techniques can be categorized into qualitative and quantitative approaches. Qualitative approaches involve soliciting the input of clients, staff, providers and community groups. Information obtained from these sources may not be quantifiable, but it should provide the agency with a good sense of how needs are perceived by relevant actors in the needs assessment process. Three qualitative approaches typically used in needs assessments are: the key informant technique, the use of nominal groups, and the community forum.

In the key informant technique, interviews are conducted with knowledgeable community members or decisionmakers regarding the need for services and their views of the priorities for these services. This technique allows for an in-depth exploration of the perspective of the key informant. The key informant approach may be useful during the needs assessment planning process as well as a data collection technique.

In the nominal group technique, meetings are conducted with panels of respondents who are selected on the basis of their demographic and/or service characteristics. An effort is made to secure the perceptions of the groups regarding service needs. Nominal groups consist of from six to nine members. Participants are asked to list needs individually on a flip chart. Group discussion, led by a trained facilitator, follows in order to clarify each need. Participants then vote as individuals on rankings for the list of needs which the group has generated. These rankings are then discussed and a second vote is taken. The resultant list of needs is then considered the priority list of the group. The nominal group technique is useful for generating representative information from a group. It is in no way statistically predictive of the views of the population as a whole and therefore should be regarded only as informative.

In the community forum technique, public meetings are held which provide an opportunity or forum for community members to express their perceptions of need. Information may be provided to the forum attendees prior to the time set aside for the public's input on needs. Again the purpose of this technique is informational. Community forums often are used in needs assessments of controversial subjects such as site selection for a prison, halfway house, or group home.

Quantitative approaches to needs assessments involve systematic methods of collecting information that can be statistically analyzed. Four types of quantitative techniques that often are used in needs assessments are: surveys, ecological data, rates under treatment, and computer based simulation models.

Surveys involve the design and administration of a data collection instrument. The agency may ask questions of direct relevance to the needs assessment. A single survey may be used to assess the opinions of all relevant actors in the needs assessment process or separate surveys may be designed to generate input on particular issues by individual groups of actors (e.g. clients, providers, administrators). The rigor involved in the construction of a good survey instrument should not be underestimated. While anyone can write a series of questions, only trained professionals who are

sensitive to the issues of reliability, validity, response bias, and sampling should be responsible for the actual design of a survey instrument. In addition, the administration of the survey to respondents, coding of responses, and analysis and interpretation of data are processes that require professional expertise.

An ecological technique can be used to generate information about the population, environment and service organization of a particular location (e.g. a city). This data provides a profile of the community in which a service is offered or in which there is a need for new or additional services. Existing or secondary data often is used to construct an ecological profile of an area. Demographic information obtained from census data; descriptions of the numbers and types of existing facilities (e.g. schools, drug treatment programs) obtained from program directories or service inventories; and analysis of available resources (e.g. program allocations, beds) can be used to present a picture of current and projected community needs. Ecological techniques are most appropriate when a needs assessment is required for one geographic area or when the scope of the needs assessment is limited to a manageable topic.

Use of the rates under treatment technique allows an agency to present client characteristics in terms of rates. Counts of the number of clients served in a program broken down by relevant client characteristics (e.g. age, sex, ethnicity) are used to document the extent of existing services and to project the need for additional services. This technique may be employed through the use of existing data or with information collected on clients as part of the needs assessment process.

Computer simulations involve the use of data to project various scenarios under different sets of assumptions. For example, client needs at a point in the future can be projected given current client characteristics, demographic projections, and descriptions of existing services and funding levels. Data generated in this fashion permits the examination of a range of program options.

#### Utilization of Needs Assessment Findings

Needs assessment information should be incorporated into all phases of program planning, operation and evaluation. Information obtained during the needs assessment can be used 1) to set an agency's agenda, 2) for input to the RFP as background data in the problem statement, 3) to define the tasks required in the contract, 4) for contract monitoring, 5) for program evaluation, and 6) to inform and influence decisionmakers.

Needs assessment should not stop at the point at which findings are made public. The needs assessment itself must be marketed. Decisionmakers should be informed of the existence of the needs assessment, of its accuracy and usefulness. The public also should be educated about the purpose of the needs assessment, the manner in which it was conducted, and how it can be used to provide information regarding service needs. Needs assessment data, therefore, must be presented clearly and convincingly. The data must be interpreted in a straightforward manner that addresses specific questions in a meaningful way.

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Outlines the planning process for conducting a needs assessment. Presents three approaches to needs assessment: the service utilization, social indicator, and citizen survey approaches. Includes presentation of strengths and weaknesses of each approach.

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Discussion of qualitative versus quantitative needs assessment. Argument to include clients as actors in the needs identification process. Presentation of guidelines for use of a nominal group process.

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Murrell, Stanley A. "Procedures for Maximizing Usage of Needs Assessment Data" in Bell, et al. Assessing Health and Human Service Needs; Concepts, Methods and Applications, New York: Human Sciences Press, Inc., 1983.

Emphasis on the ways in which the needs which have been identified in a needs assessment process actually get translated into program options. Involving the actors in the needs assessment in the data analysis, data interpretation and priority setting stages of the process are suggested.

Nguyen, Tuan D., C. Clifford Attkisson, and Marilyn J. Bottino. "The Definition and Identification of Human Service Needs in a Community Context," in Needs Assessment in Health and Human Services, New York: Human Sciences Press, Inc., 1983.

Discussion of the definition of a "need," an "unmet need" and presentation of the convergent analysis method as a way in which to bring together divergent viewpoints and pieces of information. Concludes with an analysis of the link between needs assessment and program evaluation.

Siegel, Larry M., C. Clifford Attkisson and Linda G. Carson. "Need Identification and Program Planning in the Community Context" in Attkisson, et al. Evaluation of Human Service Programs, New York: Academic Press, 1978.

Distinguishes between needs identification and needs assessment. Outlines three major types of needs assessment: indicator approaches, social area survey approaches, and community group approaches. Very thorough presentation of techniques.



## **MAKE OR BUY DECISION PROCESS \***

Harley Lieber

Once the needs assessment has been conducted suggesting the need for the creation of a new correctional service or program, a process should be undertaken to determine if the agency has the capacity to deliver the service or if the agency should contract for the service with a vendor in the community.

This process is often conducted informally with little structure or research and is usually influenced by the prevailing political and economic forces at work in the jurisdiction. A formal, objective process is recommended for weighing the alternatives of accomplishing the task with departmental employees or contracting for the effort. This decision making process is referred to as the "make or buy decision" and verifies that the alternative chosen is cost effective and of benefit to the state or county.

The make or buy decision is a four step process requiring: 1) identification of the requirements of the new program or service, 2) in-house resource and vendors review, 3) analysis of in-house resources vs. vendor resources, and 4) the make or buy decision.

### **IDENTIFICATION OF THE REQUIREMENTS OF THE NEW PROGRAM OR SERVICE**

This initial review attempts to determine the resources necessary to satisfy the need or objective of the desired program or service. The needs can be stated in action phrases such as "provide treatment for 200 male sex offenders," "perform alcohol and drug counseling for 50 late-stage alcoholic offenders," or "provide intensive supervision for 30 convicted residential burglars per month."

The description of the service to be provided looks at all required service activities including expertise required, training, equipment needs, facilities, location, period when service is required, enabling or encumbering Federal or State regulation, and number of people to be served.

### **IN-HOUSE RESOURCE AND VENDORS REVIEW**

The purpose of the in-house resource and vendors review is to identify the resources available to provide the service. The in-house/internal agency review consists of an analysis of 1) staff with appropriate skills to provide the desired service, 2) available facilities and equipment, and 3) budgetary constraints.

The vendor review examines all potential contract agencies in the community to determine their ability to provide the service. All sources of information should be assembled and consulted to determine these agencies' 1) type and scope of related service delivery experience, 2) number of experienced personnel available, 3) financial position and stability, and 4) background of key staff.

The analysis will suggest the capability of the agency to provide the service and allow for certain vendors to be identified that also offer that potential.

### **ANALYSIS OF IN-HOUSE RESOURCES VS. VENDOR RESOURCES**

The purpose of this step is to formally analyze the relationship between the desired service requirements and the resources available to provide the service. Specifically, this portion of the make or buy decision examines in-house costs

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\* Adapted from: Federal Guidelines on Contracting, Dept. of Health and Human Services Circular 075-1, August 1, 1980, GPO: Washington DC.

including those associated with direct labor, fringe benefits, costs of equipment, travel costs, total direct costs, and indirect costs.

The vendor or prospective contract agency costs can be reasonably estimated by examining agencies providing similar services and by conducting interviews with other contractors to determine the costs for the provision of the service.

A comparison of the in-house resource requirements for provision of the service with the vendor requirements will provide for an important selection criterion. Cost alone should not be considered the single most important criterion.

#### **THE MAKE OR BUY DECISION**

The purpose of the make or buy decision is to decide whether to purchase the services utilizing in-house resources or to contract for the service.

The make or buy decision incorporates all of the information assembled in the previous three steps and allows the decisionmakers to decide on a strategy for delivery of the sought-after service. The ultimate decision to contract or to provide in-house combines all of the information and is based on a careful analysis of overall cost effectiveness, potential for service satisfaction, and the willingness of the political environment to support the decision. The process provides the decisionmakers with an objective justification for the direction that is ultimately selected.

The criteria given in Table 2 can serve as a guide to corrections officials in the process of conducting a "make or buy decision" related to a specific service or program need.

Table 2

A Checklist of  
Criteria Favoring the Contracting of Services\*

- ( ) Legislation requires that this service be contracted.
- ( ) The correctional agency cannot afford the start-up costs required by providers of this service.
- ( ) The correctional agency does not have the capability to provide this specialized service (staff, equipment, and/or facilities).
- ( ) Contracting for a given level of service would be less expensive than directly providing the service.
- ( ) Contracting would permit better quality of service at the same cost as directly providing the service.
- ( ) Better quality controls would result from the contracting of this service.
- ( ) Better financial/budget controls would result from the contracting of this service.
- ( ) The quality of the contracted service would be better because of the availability of existing provider facilities and/or a large number of trained personnel.
- ( ) Providers may be better able to cope with increasing service demands or changing service needs.
- ( ) Contracting would give the correctional agency more flexibility to deal with the non-permanent or temporary nature of the service (seasonal or peak/valley work).
- ( ) Providers may have access to a wider range of capabilities and technical resources for program design, development, and experimental innovation.
- ( ) Contracting would permit the correctional agency to better monitor service performance.
- ( ) The target group is difficult to reach due to location or attitude.
- ( ) There are a number of capable providers available for contracting.
- ( ) The work is dangerous and involves liability.
- ( ) There is evidence of support for the contracting of this service on the part of recipient groups and provider association.

\* This checklist was developed jointly by the Bureau of Social Services, Purchase of Service Office, Hennepin County, Minnesota, and Public Services Options Group, Minnesota.

- ( ) Private funds are available to match Federal and State funds.
- ( ) Displaced government personnel may be relocated in equally satisfactory jobs (considering pay, responsibility, working conditions, etc.).
- ( ) Contracting would mean increased involvement of community-based groups.
- ( ) With a probable Federal or State funding cutback, the correctional agency would have a more acceptable set of alternatives, i.e., picking up funding or terminating the contract.
- ( ) The correctional agency wants to end direct provision of this service.

A Checklist of  
Criteria Favoring Direct Provision of Services

- ( ) There are legal restrictions to contracting this service.
- ( ) There are no providers who have the capability to provide the service.
- ( ) The service is not tangible. Measurable objectives cannot be developed, making contracting difficult.
- ( ) Direct provision for a given level of service would be less expensive than contracting for delivery of the service.
- ( ) Better quality controls would result from directly providing this service.
- ( ) Better financial/budget controls would result from directly providing this service.
- ( ) The correctional agency, in direct provision of the service, could be more responsive to increasing service demands or changing service needs.
- ( ) The quality of the directly provided service would be better because of the availability of existing correctional agency facilities and/or a large number of trained personnel.
- ( ) Disparity between service objectives of the correctional agency and those of providers may reduce the quality of the purchased service.
- ( ) The correctional agency wants to avoid an overdependence on a limited number of service providers.
- ( ) There is evidence of resistance to contracting this service on the part of recipient groups and employee unions.
- ( ) The correctional agency wants to get out of contracting for delivery of this service.
- ( ) There is a need for a strong perceived public control and accountability in the delivery of this service.

## REQUEST FOR PROPOSALS

Harley Lieber

The Request for Proposals, or RFP, is the formal invitation issued by a government office to prospective contractors to submit proposals for providing a service. The purpose of the RFP process is to establish equitable procedures for contracting. While the RFP document can be prepared in a variety of formats, it should specifically identify:

- The problem or need for service.
- Kinds and quality of services sought.
- Activities to be performed.
- Target population to be served.
- An acceptable cost range.
- Administrative requirements.
- Procedure and timeframe for proposal submission and review.
- Procedure for appealing the award procedure.

The RFP process begins after the need for a service and the reasons for having it provided by an outside contractor have been established. The process protects the public interest by being systematic and impartial. The process involves:

- Identification of potential contractors.
- Development of and writing the RFP.
- Managing the preproposal period.
- Proposal evaluation and selection.

Basically, the RFP specifies what is to be purchased and the conditions for doing business. The following represent a detailed, step-by-step description of the RFP, its essential components, and its associated process.

### IDENTIFICATION OF POTENTIAL CONTRACTORS

The issuing office or proposal manager should develop a profile of a prototypical agency which could provide the service. The profile should include:

- Programmatic experience/technical skills. What previous program experience is relevant? What technical skills are required?
- Capacity. How large will the program be? How many beds or treatment slots are needed?
- Location. Is location significant? Should the program be located downtown or near public transportation?

Consideration of these items will help the issuing office compile a list of vendors.

The issuing office must meet all legal requirements which govern the identification of contractors. Federal, State, and local requirements pertaining to Equal Employment Opportunities (EEO) guidelines and minority firm participation must be followed. Most purchasing departments have all applicable regulations at hand.

### Vendor Lists

A vendor list can be compiled from: the issuing office's previous contracting experience; the experience of other government offices which have contracted for similar work; and local professional organizations which correspond to the areas of expertise required and which maintain directories of service providers.

General publicity regarding the RFP may generate interest from agencies that have not yet been included in a government office's list of vendors. Such publicity may be a requirement of the RFP process, depending on State or local administrative rules.

The vendor list should be updated on a regular basis. File information on each agency should include:

- Name and address of key contact.
- Qualifications and expertise.
- Recent evaluations, if previously under contract to another State or local government office.

### Request for Qualifications

To narrow the field of qualified vendors, a government office may issue a Request for Qualifications, or RFQ. This is usually done when an issuing office has a very specific idea of the kind of service it requires and how much it intends to spend. An RFQ should state the need for service, describe the service to be purchased, and indicate the amount of money available for the contract. It should request respondents to describe their qualifications and explain how they have provided similar services under similar conditions in the past. The RFQ, and the responses to it, should be brief. As responses (letters of qualifications) are received, the issuing office can select those that meet established criteria for experience and skills, capacity, and location. The RFP would then be sent only to agencies selected in the RFQ process.

### DEVELOPMENT OF THE RFP

An RFP package would include 1) a cover letter, 2) general information for respondents, and 3) a work statement.

Cover Letter. The cover letter notes the date of issue of the RFP, the subject, and the RFP number.

General Information For Respondents. This section orients bidders to the correctional agency's technical contracting requirements. It normally includes the following subsections:

- The issuing office.
- The proposal manager.
- The response deadline.
- Where to send completed proposals.

- Definition of significant terms, such as "status offenders," or "urinalysis."
- Purpose of the contract; the service to be purchased.
- Source of funding; acceptable range of proposal estimates.
- Incurring cost statement. This subsection indicates that the correctional agency is not liable for costs incurred by bidders prior to awarding the contract. In other words, bidders cannot request funds to cover the cost of responding to the RFP.
- Preproposal conference. A bidder's conference at which issues related to the RFP can be clarified (optional).
- Validity period. This subsection asks bidders to specify for how long their proposals will be valid. Requirements for a minimum validity period would be noted here.
- Economy of preparation. Bidders are urged to prepare simple, economical proposals. A complete, concise description of a bidder's ability to meet the requirements of the RFP is sought. Fancy binding, displays, and promotional material are not desired.
- Oral presentation. Bidders are informed that they may be asked to make an oral presentation of their proposal and respond to questions.
- Rejection of proposals. Bidders are informed that a contract may be negotiated with the bidder whose proposal is most advantageous to the issuing office. The office reserves the right to accept other than the lowest cost proposal and to reject any or all proposals.
- Acceptance of proposal content. This subsection states that the contents of the proposal of the successful bidder may become contractual obligations. Failure of the contractor to accept these obligations may result in cancellation of the proposal selection.
- News releases. This subsection states that news releases pertaining to the RFP or the project to which it relates must not be sent out without prior approval by the issuing office.
- Contract term. The length of the contract and whether or not it can be renewed are indicated.
- Contract type. Bidders are told whether the contract will be cost reimbursement, performance based, or another type of agreement.
- Technical assistance. The correctional agency's policy for responding to requests for technical assistance in preparing a proposal is explained. Normally, no technical assistance will be given, but questions regarding the RFP may be accepted if submitted in writing. The questions and the written responses must be provided to all parties who have received copies of the RFP.
- Appeal of award procedure. Prospective contractors are informed as to the formal recourse available to them if they feel that the RFP process was not fair, impartial, and procedurally correct.

## Work Statement

This portion of the RFP gives bidders a detailed picture of what the issuing office intends to purchase. It outlines what will be done, how it will be done, the sequence of activities, who will be served and the expected outputs and outcomes. Typical subsections include:

- Background. The problem area and the need for service are again discussed, along with the planning process that led to the development of the RFP.
- Program goals. This subsection describes the intended result of the program, that is, the effect on the target population or the community. Program goals are usually quantified as outcome measures such as "percentage decrease in rate of recidivism" or "length of sobriety in months."
- Program objectives. Program objectives are the intended operational accomplishments of the program. This subsection describes the desired program tasks and activities, and the methods to be used to accomplish them. For example, requirements for recruiting clients and establishing linkages with other agencies might be given here. Precise statements using action verbs such as "enroll," "evaluate," or "counsel" clarify the activities to be performed. Program objectives are usually quantified as output measures such as "number of clients evaluated" or "number of clients completing training."

The work statement should be a clear outline of the program goals and objectives, as well as the activities expected to lead to their accomplishment. The more precise the work statement is, the more responsive prospective contractors can be.

## INFORMATION REQUIRED FROM BIDDERS

This section of the RFP outlines the proposal elements to be submitted by prospective contractors. Some issuing offices ask bidders to submit two separately bound volumes. Volume I would be the technical and managerial proposal, while Volume II would be the business proposal and would be considered confidential. Other agency offices merely ask that bidders separate the technical/managerial and business sections of their proposals.

### Technical and Managerial Proposal

The technical and managerial proposal includes 1) problem statement, 2) proposed approach, 3) staff qualifications, 4) contractor experience, and 5) management plan.

Problem Statement. Respondents should be asked to relate their understanding of the problem and need for service. Specifically, they should be asked to explain the:

- Problem(s) addressed by the RFP.
- Goals and objectives of the project.
- Assumptions underlying the project.
- Philosophy of service at their agency.
- Problems anticipated in implementation.



Bidders should be instructed not to repeat the problem statement given to them in the RFP. They should be asked to elaborate on it from their point of view. This gives the issuing office an opportunity to evaluate a bidder's depth of understanding. Hopefully, the variety of responses to this subsection will also shed new light on the problem for the issuing office.

Proposed Approach. Bidders should be asked to provide the following information.

- Population to be served.
- Estimate of flow and source of clients.
- Methods of referral to the program.
- Criteria for accepting referred clients.
- Methods for evaluating client needs; the diagnostic tools that will be used.
- Methods for providing the services that address client needs; the rationale for the chosen methods of service delivery.
- Methods to be used for monitoring clients and providing feedback to sources of referral.
- Criteria for positive and negative terminations.
- Follow-up techniques.

Staff Qualifications. Bidders should indicate the duties, experience, and qualifications (via staff resumes) of all managerial and professional personnel who will be involved in the program. If there are staff vacancies, job descriptions should be included. Bidders should indicate the number of hours each staff person will devote to the program.

Contractor Experience. Information regarding the prospective contractor's experience with the criminal justice system and similar programs is desirable.

Management Plan. Bidders should explain how the program will be administered. Areas of concern are:

- Organizational capacity for effective and efficient management.
- Corporate capacity to carry out the proposal; corporate status (individual, partnership, corporation, non-profit, or for profit).
- Clear lines of overall responsibility for daily operation.
- Contact person.
- Active Board of Directors that functions independently of management.

### Business Proposal

Information provided in this subsection is required to support the reasonableness of the bidder's proposal and may be separately bound and submitted. The RFP should require a standard budget format to allow for ease of comparison between competing bids.

Labor and management costs should be itemized to show:

- Classification of employees.
- Estimated hours on project.
- Salary rate.
- Total cost for each classification and for all staffing needs.

Itemized costs should also be given for:

- Consultants.
- Equipment.
- Supplies and materials.
- Computer use.
- Travel.
- Indirect charges.

A copy of the most recent audit should be included.

#### **MANAGING THE PREPROPOSAL PERIOD**

The preproposal period begins with the announcement of the RFP and ends on the closing date for submitting proposals. It is usually four to six weeks long. Announcement of the RFP entails general publicity, usually in business dailies, and utilization of a vendor list to send the RFP to potential bidders.

The preproposal period should be managed by a single individual in the issuing office who will respond to questions, publish addenda to the RFP, and convene any pre-proposal conferences. This will usually be the proposal manager. The proposal manager must treat all prospective bidders objectively and equally. No portion of the respondent's proposal, or a respondent's qualifications, should be discussed with other bidders. Any answers to substantive questions should be recorded and sent in writing to all recipients of the RFP. Where a purchasing department and an issuing office are both involved in the RFP process, coordination between them is essential to make sure that all bidders receive the same information, including any addenda.

#### **Preproposal conference**

Generally, if an RFP is clearly written, a preproposal conference will not be needed. However, it may be necessary when the RFP is complex, prevailing objectives of the issuing office require a particular approach, certain portions of the RFP require an oral explanation, or the agency wants to encourage the submission of RFPs by a more diverse group of vendors.

A preproposal conference is not mandatory, but it represents an opportunity to provide additional information related to the RFP. Bidders who do not attend should be mailed a transcript of the proceedings. The conference should include a review of program goals and objectives, any special instructions for respondents, and an open question and answer period.

The specific criteria which reviewers will use when evaluating the competing proposals should be set forth in the RFP and reviewed during the preproposal conference. The issuing office may or may not include the weighting or point scheme for the criteria. The weights would indicate the relative importance of each of the criteria. Bidders should also be told about the make up of the evaluation committee, when it will meet, how many bidders will be selected for a possible oral interview with the proposal manager, and when the final decision will be made.

## PROPOSAL EVALUATION AND SELECTION

The evaluation process should demonstrate the fairness and objectivity that characterized the preproposal period. An evaluation committee should be established by the proposal manager. The following is a suggestion for staffing the committee.

- Two to four staff members (managers or line personnel) with an interest in the program area.
- A representative of the purchasing department with contracting experience in the program area.
- A non-bidding expert in the field, preferably from out of town, to minimize the possibility of prejudice toward any of the bidders.
- A citizen.

The proposal manager does not score the proposals.

### Evaluation Criteria

The evaluation criteria were probably identified during the preparation of the RFP, but now the evaluation committee must "flesh them out" and become familiar with them. An evaluation form with weighted criteria should be developed by the proposal manager, perhaps in cooperation with the committee.

The specific criteria may vary from program to program, but they will usually lead an evaluation committee to consider the following.

Understanding the Problem. How well is the problem stated? Does the bidder demonstrate an understanding of the purpose of the program? Does the proposal shed new light on the problem? Does it indicate an understanding of the agency's mission and goals? Have the environmental and social contexts of the proposed program been carefully considered? Does the agency appear to be familiar with the current literature and research?

Understanding the Work to be Done. Has the proposal addressed the tasks, objectives, and goals established for the program? Has the bidder quantified program outputs and outcomes?

Management Plan. Does the proposal outline a system for efficient and effective management of the program? Are lines of responsibility clearly drawn? Are personnel reasonably allocated to the various tasks? Are sufficient support systems in place (clerical, data processing, etc.)? Are procedures for financial management and control in line with contracting requirements?

Prior Experience and Qualifications. Has the agency previously run similar programs of similar magnitude? Are the minimum qualifications outlined in the RFP met? Do key staff have adequate experience and qualifications?

Overall Organization of Proposal. Is the proposal well organized and easily read?

Scoring Each Proposal

Each proposal is scored by each committee member. If warranted by the number of proposals, two teams of reviewers might be established. Usually, the highest and lowest scores are eliminated in the calculations of a final score for each proposal. The one or two (depending on prevailing administrative rules) highest scoring proposals are invited for an oral interview with the proposal manager who has authority to negotiate a contract.

The RFP process is used in most situations where correctional services are to be purchased by a government office. RFPs are time consuming and expensive to develop, respond to, and evaluate, but they allow government to select from a range of alternative approaches to a problem. The process helps government respond to identified needs in a cost-effective manner.

## CONTRACT DEVELOPMENT

Richard Scherman

The development of a contract to purchase an identified community service requires concentrated expertise and a structured format for collecting information needed for decision making. This chapter is intended to provide correctional agencies with guidance on the expertise needed by staff, appropriate staffing patterns, information components that should be collected during the development phase and, clauses to be considered in the development and writing of a contract.

### STAFF EXPERTISE

The five areas of staffing expertise are programmatic, budgeting, evaluation, legal, and administrative.

- Programmatic: Staff should have expertise in conducting structured needs assessments, reviewing community resources, writing RFPs, developing reporting guidelines, and monitoring contracts.
- Budgeting: Staff should have skills in reviewing line item budgets, financial statements, depreciation schedules, accounting systems, audits; performing comparative analysis on cost factors and other variables related to the fiscal aspects involved in contracting.
- Evaluation: Staff should have expertise in developing data collection variables to measure contract effectiveness, in initiating management information systems that allow for both programmatic and data reviews, and in providing technical assistance for special reports that may be needed to answer inquiries regarding a service provider.
- Legal: Staff should have expertise and knowledge in the formulation of the required clauses which each jurisdiction mandates in its contracts and other legal documents. This staff should also know the rules, regulations or statutes applicable to a particular provider, which must be addressed in any contract between a correctional agency and a service provider.
- Administrative: An administrative structure is needed within the correctional department to provide policy, coordination, and direction to the programmatic, budgetary, evaluative, and legal staff described above. The administration of contracting must have "equal status" with the other administrative components of a correctional department.

### OPTIMAL STAFFING PATTERNS

To effectively develop and write a contract for a particular community service, staff must have programmatic, budgeting, evaluative, and legal skills. These skills, although evident in many correctional agencies, are primarily oriented toward the field of social work. A reorientation to meld social work skills with more of a business approach in the negotiation and writing of contracts is critical.

A comprehensive contractual unit must have an administrator sanctioned and given "equal status" recognition with other departmental managers. Employees with the necessary expertise to staff the contractual unit could be drawn from within the correctional agency or from other departments. For large scale correctional departments it would be wise to centrally locate an administrative unit for contracting. For smaller departments, a decentralized approach could be accomplished by utilizing staff within other divisions of the correctional agency or by working agreements with other

governmental units. These approaches (centralization vs. decentralization) are best left to administrative managers, who know the parameters of their particular jurisdiction.

Whatever approach is decided upon, the philosophy of the correctional agency toward contracting will be the governing variable influencing the effectiveness of contract administration. For contracting to succeed it must be given equal status with the other correctional administrative functions and must be seen as an alternative choice for services too expensive to be provided in-house.

#### **INFORMATION COMPONENTS**

The essential information components for the negotiation and writing of a contract for a particular community service will vary from agency to agency and depend upon the dimension of the service to be purchased. Prior to the negotiation and writing of a contract an agency should have a completed needs assessment which has conceptually defined the needed service. The RFP has defined the parameters of the service and moved towards specification of its necessary components. When those two stages have been completed it is then necessary to refine both the conceptual needs and program components into an information format that can be analyzed, measured, negotiated, and written into a contract.

The three primary components of most contracts developed by correctional agencies are the legal document, the program description, and the budget. Prior to implementation of the technical language of the contract, there should be a standardized and structured format to collect the necessary programmatic and budgetary information.

At a minimum, the following information components should be collected:

#### **Description of the Program**

Administrative Structure includes:

- Organizational Outline.
- Personnel Policies.
- Relationships to Other Agencies.
- Employee Descriptions, Qualifications and Salary Ranges.
- Staffing Patterns.

Service Delivery Plan includes:

- Description of Services Provided.
- Treatment Modalities Utilized.
- Admission and Termination Criteria.
- Scheduling Patterns.
- Relationships with Other Resources.

Evaluation includes:

- Goals and Objectives.
- Measurements of Effectiveness.
- Reporting Methods.

#### **Presentation of Budgetary Information**

Line Item Budget, at a minimum, includes:

- Salaries, Benefits and Taxes.

- Services Purchased.
- Supplies.
- Facility Related Costs.
- Depreciation Schedules.
- Staff Development.
- Transportation.
- Incidentals and Miscellaneous.

Actual Cost vs. Projected Cost includes:

- Current Year's Projected Cost and Comparative Analysis with Previous Year's Actual Cost.
- Narrative Support and Substantiation for each Line Item Increase.

Revenue Projections include:

- Presentation of all Current or Projected Revenue related to Proposed Purchased Service.
- Include Identity, Time Periods and Proposed Use.

The above information components are minimal and have been presented in outline form. Many sub-categories could be included. Some governmental jurisdictions and correctional agencies have very sophisticated "Purchase of Service" manuals that would be of assistance to departments.

Upon completion of staff reviews of these components, negotiations are conducted with the identified service provider. Those negotiations traditionally revolve around the programmatic components necessary to meet the needs assessment and a budget proposal that will both support the program and fit within the correctional agency's financial allotments. Once those negotiations have been completed the actual writing of a contract will begin.

#### **CONTRACT WRITING**

The implementation of the contract should be conducted with, and reviewed by, an attorney representing the correctional agency or employed by the local jurisdiction. Most jurisdictions have legal departments or attorneys that know the necessary components, requirements and restrictions that must be included in executing the contract. It is crucial that legal expertise be sought within the jurisdiction, if not available within the agency.

Most contracts are comprised primarily of what are commonly called "boilerplate clauses" or "standard clauses," the implementation of which will vary from contract to contract. Their insertion will depend upon the type of service the correctional agency wishes to obtain. Local government attorneys are usually attuned to these requirements.

Clauses that require language formulation and major input from a correctional agency traditionally relate to a contract's scope (description of the provider's service), compensation reimbursements, reporting and monitoring responsibilities, and references to attached addenda.

#### **IMPORTANT CONTRACT PROVISIONS/CLAUSES**

The content or number of clauses contained in a contract for a purchased service will vary from jurisdiction to jurisdiction. Correctional personnel need to be directly involved in the writing of a contract. A contract is a difficult and complex document to complete. It is therefore important that an administrator be trained to write contracts.. Local attorneys can develop the boilerplate clauses, but correctional

administrators must involve their agencies in developing those clauses directly related to the provision of the needed service.

The following will assist correctional personnel in reviewing clauses typically found in most sophisticated contracts.

Clause 1: Opening Paragraph -- defines the contractual relationship between the jurisdiction, correctional agency and the purchased service.

Clause 2: Scope of Contract<sup>\*</sup> -- lists the services to be provided and reflects the understanding of the correctional agency's and the provider's responsibilities to one another. Addenda are usually referenced in this provision and must be attached to the contract.

Clause 3: Compensation<sup>\*</sup> -- provides a description of the method by which the provider will be reimbursed for its services; various compensation reimbursements commonly utilized are:

- Per Diem Payments.
- Block Amounts.
- Monthly or Quarterly Payments.
- Straight Reimbursements.
- Advances.
- Not to Exceed Amounts.
- Not to Exceed Departmental Budget Amount.

Clause 4: Payment -- insures that payments made to the provider will be governed by local jurisdiction policy or statute.

Clause 5: Effective Date/Termination Date -- provides the time frame(s) in which the contract will be in effect.

Clause 6: Extensions -- provides an opportunity to eliminate the need for preparing a new contract or amending documents if there is a high probability of utilizing the same purchased service for the next year. Extensions usually must still be approved by the jurisdiction's governing body prior to the contract's new effective date.

Clause 7: Indemnity -- attempts to insure that the provider will "hold harmless" the correctional department and local jurisdiction against any liability, claims, etc., in which suit may be brought against them for certain acts of negligence.

Clause 8: Insurance -- should specifically state the insurance requirements and certificates that the provider will be required to obtain; it should also require that the provider show continuous coverage for the terms of the contract. Areas of insurance that should be reviewed to protect the correctional agency and local jurisdiction follow:

Insurance covering:

- Claims under Worker's Compensation Disability Benefit.
- Claims for damages because of personal or bodily injury.

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\* This provision will usually require major input from the correctional agency.



- Claims for damages due to destruction of tangible property.
- Claims for damages arising from ownership, maintenance or use of any motor vehicle.

Worker's Compensation and Employer's Liability Insurance.

Comprehensive General and Automotive Liability Insurance.

The providers should not begin activities until the required certificates of insurance are in place and filed with the correctional agency.

- Clause 9: Bonding -- requires the provider to maintain an employee fidelity bond.
- Clause 10: Affirmative Action -- usually requires that a provider will not discriminate in the areas of employment or client service.
- Clause 11: Independent Contractor -- attempts to protect the local jurisdiction against an interpretation that the contract implies that the provider is a co-partner or employee; intent is to eliminate claims and suits enjoining the local jurisdiction when, and if, the provider should be sued.
- Clause 12: Audit of Books and Records -- provides that the correctional agency and local jurisdiction have the right to examine and copy any documents of the provider relating to the contract; may also provide for a definitive period of time during which the provider must retain certain documents.
- Clause 13: Data Privacy -- informs the provider that it must abide by all applicable statutes concerning the handling and disclosure of private and confidential information.
- Clause 14: Reports and Monitoring Procedures<sup>\*</sup> -- outlines the procedures with which the correctional agency will require necessary reports to properly monitor the purchased service.

A correctional agency may want to require the provider to:

- Maintain a certain type of accounting system.
- Establish audit procedures.
- Prohibit purchase of materials or expenditures in excess of approved budget categories unless stated procedures are followed.
- Define and require line item budgetary expense reports.
- Provide information on any new revenue related to provider costs.
- Report on programmatic activities, goals and objectives, and data collection efforts.
- Comply with statutory, rule, and regulation requirements.

- Clause 15: Incorporation Status -- requires those providers that are non-profit corporations to furnish a copy of their Certificate of Incorporation to the local jurisdiction.
- Clause 16: Cancellation/Modification -- provides the methods, restrictions and time frames that the local jurisdiction's correctional agency and the provider must follow in order to modify or cancel the contract.

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\* This provision will usually require major input from the correctional agency.

Clause 17: Assignment — provides the parameters in which the provider could assign its responsibilities, as referenced in the contract, to another entity.

Clause 18: Notices — provides the process, methods and procedures that the provider, correctional agency or local jurisdiction are required to follow if a "notice of demand" is initiated.

The clauses of a service provider's contract requiring major input from the correctional agency (scope, compensation and reporting/monitoring) are based on the information components, previously collected, relating to program and budget. As a correctional agency begins to direct more effort towards contracting, a structured and standardized format should be developed to collect this information. Maximum specificity regarding a service provider's program and budget ensures not only a well structured contract but also the basis for proper monitoring and evaluation.

After final negotiation and resolution of the necessary provisions and clauses, the previously developed programatic and financial information components are either incorporated into or attached to form a contract. The contract then must be processed for signature by both the authorized representatives of the purchased service as well as the local jurisdiction.

## CONTRACT MANAGEMENT AND EVALUATION

Richard Scherman

There are many management styles used in monitoring and evaluating contracts. Some are comprehensive while others are limited in their approach. In the corrections field the comprehensive management style has not been used extensively. This is primarily because most administrators are unaware of the importance of developing the expertise and staffing patterns necessary to monitor and evaluate contracts. Without a managed contractual unit, any major shifts by the correctional agency to a comprehensive monitoring and evaluation of its contracted service providers will be difficult to achieve.

### EFFECTIVE CONTRACT MONITORING

To engage in a comprehensive monitoring and evaluation of contracts, a correctional agency should have management information systems to provide decisionmakers with reviews of the three primary functions of a contracted service provider. Those functions are programming, evaluation, and budgeting. Those management information systems should be predicated on standards that can measure the effectiveness of these three administrative functions.

#### Standards

The development of standards is an integral part of monitoring any purchase of service contract. Standards should refer to basic levels of service that can be measured. Standards should outline what needs to be accomplished and when it should be done. Without standards there cannot be any meaningful measurement of the three administrative functions of a contractor's program noted above.

#### Approaches to Contract Compliance

Initially, it is important to examine the basic philosophy of a correctional department in its development of processes to evaluate and monitor contracts. Most correctional agencies focus on two primary philosophies. One concentrates on developing processes which will primarily insure contract compliance; the other philosophy also develops contract compliance processes, but, in addition, develops those processes that will assist service providers and encourage a positive working relationship. Both provide the decisionmakers of a correctional agency with the necessary information to make informed decisions. The second one, however, creates a more harmonious relationship with a community service provider, in which quicker identification of problems can occur, leading to alternative solutions that can be developed within a partnership approach.

Direct coordination of the monitoring and evaluation process should not be under the auspice of any particular monitoring component, either program, evaluation, or fiscal. Each is an important component in the monitoring and evaluation processes, but there is no one component that is more important than the other. The coordinator must have general knowledge of all three monitoring components and be part of the administrative structure of the correctional agency.

### EFFECTIVE PROGRAM MONITORING

Program monitoring can have a positive influence on ensuring that the contractor provides the programmatic activities identified in the needs assessment and called for in the RFP.

Program monitoring is an important component in the overall evaluation of a contractor. A two-fold purpose of this monitoring component is 1) to insure that the

contractor is providing the purchased service called for in the contract, and 2) to decrease the probability of an unforeseen crisis occurring. Basic programmatic standards, initiated during the contracting process, provide accountability and measurement of the contractor's activities. These items should be referenced in the contract.

Program monitoring does not evaluate the success of a service from a research standpoint and thus should be differentiated from evaluation monitoring. Program monitoring is a process to assist contractors in measuring program activities. The function of program monitoring is to develop minimum levels of program standards to provide contractors with a framework for achieving operational consistency.

The development of minimal levels of program standards by a correctional agency provides a framework for the measurement of programmatic activities. Therefore it is important that some type of programmatic standards be developed and referenced in the contract. Without standards, problems with non-performance of activities within the correctional agency's expectations may be difficult to correct. In extreme cases, an agency may be unable to justify the termination of the contract.

### Monitoring Activities

Monitoring activities include site program review, progress reports, technical assistance, and departmental liaisons.

Site/Program Review: is an activity intended primarily to assist in program monitoring and should be conducted at least once a year. Site/program review can provide an opportunity to develop greater communication between coordinator and vendor; allow an interchange of ideas between contractors and correctional staff; encourage information exchange; and identify and discuss problems which may have a systemic cause or impact. Site/program review should be viewed as a positive opportunity in which better services can be achieved through a cooperative endeavor.

A site/program review should examine and regulate the following program components.

#### Facility:

- Living Areas.
- Kitchen—where pertinent.
- Counseling Areas.
- Administrative Areas.
- Address Location.
- Cleanliness.
- Lighting.
- Ventilation.
- Condition of Furnishings and Equipment.
- General Building Upkeep.
- Hazardous Conditions.

#### Client Records:

- Intake Information Forms.
- Client Information From Referral Source.
- Client Social History.
- Medical Records.
- Client Plan.
- Signed Release of Information Forms.
- Evaluation and Program Reports.

- Rules of Program and Disciplinary Policies: Signed by Client.
- Documented Legal Authority to Accept Client.
- Grievance and Disciplinary Record.
- Referral to Other Agencies.
- Final Discharge Report.
- Dated Case Entries by Assigned Staff.
- Case Record Auditing.
- Location of File Ensuring Confidentiality.

#### Programming:

- Overview of Goals and Objectives.
- Service Descriptions.
- Client Processing Data.
- Staffing Patterns.
- Missions Statement (Program Summary).

#### Personnel

- Employment Descriptions and Qualifications.
- Personnel Policies--Minimum Requirements: Termination, Grievance, Discipline, Resignations, Vacation and Sick Leave.
- Employee Evaluations.
- Personnel Records.
- Organizational Chart.
- Staff Training and Promotions.
- Affirmative Action.

#### Licensing, Insurance and Bonding

- Contract Insurance Requirements and Current Status.
- Regulatory Licensing Requirements and Current Status (Zoning, Building, Health, Fire, Medical and Professional).
- Bond Requirements and Current Status.

The Site/Program review can provide the correctional agency with a structured format to ensure that the contractor is conducting programming in accordance with the provisions of its contract; it also documents the program monitoring activity by the correctional agency; it identifies problem areas that require resolution; and finally it provides a historical context for future Site/Program reviews.

Progress Reports: should be routinely submitted within specified time frames determined by the correctional agency and distributed to the decisionmakers and correctional staff who require updated information on the contracted service.

Technical Assistance: should be available to contractors typically in the areas of programming, budgeting, personnel and evaluation. Correctional agencies having the ability to provide such staff services decrease the potential for contract problems.

Departmental Liaisons: should be administrative staff liaisons who provide input into the needs assessment, participate in the RFP, and continue their role by assisting the contractor in ongoing relationships with the correctional department. These employees can also be the correctional agency's program monitor in a decentralized organizational approach to contracting.

#### **EVALUATION MONITORING**

Evaluation monitoring is used to determine the effectiveness of a contractor's

goals and objectives. Implementation of basic data collection and management information systems provide the correctional agency with the tools to present effective contract data reports.

Three factors are necessary to provide a proper evaluation of a contractor's program. They are 1) measurable goals and objectives, 2) a basic data collection system, and 3) management information systems capable of organizing and distributing the evaluation data necessary for decisionmaking.

Evaluation monitoring implies that specific measurable data elements are already in place. In most cases the data elements to be collected will relate to the contractor's goals and objectives. The correctional agency should have initiated and developed those elements during the Needs Assessment and the RFP processes. The elements also should have been referenced in the contract with the service provider.

### Measurable Goals and Objectives

Goals and objectives are necessary to evaluate the success of the contractor's program, but may also play an important part in its continued funding.

In order to properly monitor the goals and objectives of a contractor, they should be presented in a format that can be measured. At a minimum, the format should contain:

- Goals of the Contractor's Service
- Objectives of the Contractor's Service
- Projected Output/Outcome Measurements

### Data Collection Systems

In order to properly collect, organize, review, and transmit data in reporting form, there should be a basic data collection system developed by the service provider in conjunction with the correctional agency.

The data collection system that a service provider should implement must be outlined or referenced in the contract. In evaluating the data collection system of a service provider, the correctional agency should ensure that the contractor has the capability to routinely collect the data necessary to measure its program goals and objectives and produce the necessary reports required by the contract. Proper evaluation monitoring should also reveal whether or not there are sufficient internal quality controls to ensure that the data is being reported correctly and objectively.

If a correctional agency is to properly evaluate the effectiveness of a contractor's program it should have a data collection system sophisticated enough to collect, analyze, and interpret data, and produce in-depth reports for decisionmakers.

Two additional factors to consider when monitoring and evaluating data collection systems of contracted service providers (especially if they provide similar services) are uniform definition of data elements and standardized reporting formats. Uniform definition of data elements define data so that information can be compared between service providers. Standardized reporting formats facilitate comparative analysis between programs.

### Management Information Systems

Efficient data collection systems are essential to sound management information systems. If efficient data collection systems have been instituted, regular and special reports can be routinely accomplished.

Regular reports are differentiated from special reports in that they are produced on a time specific basis. They are sent to decisionmakers and correctional staff for informational purposes. Special reports are usually produced when there is need to respond to a specific inquiry. The production of either report requires that an adequate management information system is on line and capable of providing the necessary data for dissemination.

## **EFFECTIVE FISCAL MONITORING**

The goal of fiscal monitoring is to determine, on an ongoing basis, the financial stability of the contractor. Fiscal monitoring also attempts to ensure that the service provider has a financial management system that is sound and meets the minimum requirements of the local jurisdiction.

The degree and extent of fiscal monitoring depends upon the complexity of the contract and its clauses dealing with revenues and expenditures. Monitoring protects the correctional agency and local jurisdiction against accusations that public funds are not being spent in accordance with the terms of the contract. If a correctional agency is going to initiate simple contracts governing minimal expenditures, the degree of fiscal monitoring will be small; contracts involving services that require large expenditures should be monitored to a greater extent.

To effectively assess the financial stability of the service provider and respond to the complexity of the contract and its clauses dealing with revenues and expenditures, correctional agencies or local jurisdictions should have the capability of providing the following reviews on its contractors.

### **Fiscal Reviews**

Fiscal reviews include an examination and assessment of the following items:

- Internal Controls.
- Petty Cash.
- Bonding.
- Signature Control on Checks.
- Client Funds.
- Employee Expense Reimbursements.
- Inventory Control of all Property and Assets.
- Non-Contract Income Controls.
- Time and Status of Last Yearly Audit.
- Time and Status of Last Spot Audit.
- Most Recent Revenue and Expense Report/Against Budget.
- Cash Balances.
- Short Term Payables and Revenues (Minimum—Cash Flow, Position and Forecast, Payrolls, Rent or Mortgage Payments, Consultants, Foods, and Other items directly related to contractor's ability to deliver services).
- Employee Cash (Salary) Advances—Status, Amount and Policies.
- Units of Service Documentation.
- Loans Outstanding—Status.
- Balance Sheets—Most Recent.
- Monthly/Quarterly Financial Statements—Accrual or Cash Basis.
- Bank Reconciliation.
- Other Reviews:
  - Trace selected expenses from the most recent expense report back to the original source documentation.
  - Documentation of Other Revenues.

## Budgetary Management Information System

A budgetary management information system instituted by the correctional agency collects the fiscal information noted above and formalizes it into a reporting format for monitoring and decisionmaking purposes. Suggested activities and reviews that may be associated with the budgetary management information system are:

- Annualized Site/Fiscal Reviews.
- Time Specific Financial Statements.
- Spot Audits.
- Year End Audits.
- Accounting Reviews.

## Other Fiscal Management Considerations

Governmental units vary significantly in the degree of authority they will delegate to their operating agencies on fiscal matters. Management of a contract by a correctional agency may include delegated authority to make certain fiscal adjustments. That authority should be established by statute or regulation within the local jurisdiction. Fiscal matters that commonly require adjustments in decisionmaking authority relating to contracts are similar to those decisions that most correctional agencies make in the day to day operations of their own budgets. They are:

- Shifting of Expenditures Within a Line Item Budget.
- Adjustment of Rates.
- Movement of Monies.
- Surplus/Deficit Negotiations.
- Unanticipated Expenditures.

Fiscal monitoring implements the same basic management principles discussed in the program and evaluation monitoring segments of this chapter. Cost factors negotiated and approved during the "RFP" and "Development of Contract" phases are submitted within a standardized format and reviewed within a structured process. Minimum standards define the expectations of the correctional agency regarding the service provider's fiscal management system. If these administrative activities and information components are in place, proper fiscal monitoring can occur.



## APPENDIX A

## EMPLOYMENT SERVICES

Multnomah County Community Corrections requests proposals from qualified agencies for provision of job readiness, placement and general employment services for individuals under court-ordered supervision. The contract amount is \$20,000. The contract awarded will be for the period July 1, 1985 through June 30, 1986.

The proposal must be submitted by Tuesday, June 4, 1985 by 2 p.m. Prospective bidders are invited to attend a pre-bid conference on Wednesday, May 29, 1985, in Room 1500, 15th Floor, Portland Building, Portland, Oregon.

I. PROBLEM DESCRIPTION

Corrections clients have serious employment difficulties that may be negatively impacting crime rates. In Multnomah County approximately 35% of the parole and probation caseload is unemployed. In addition, data from the Community Corrections Client Tracking System indicates that, as of December, 1984, 71% of the 1,400 persons who had participated or were currently participating in Community Corrections contract services were unemployed. Recent studies demonstrate the correlation between unemployment and criminal behavior. There are programs in Multnomah County designed to provide job development and placement services for job-ready clients. There is, however, a need to provide programs for the non-job-ready client who is characterized by educational deficits, lack of experience and job search difficulties. A recent survey of probation officers indicated that approximately 21% (987) of the total caseload would benefit from a program designed for non-job-ready clients, while 17% (799) of the case load would be appropriate for a job placement program.

Mastery of certain job search skills such as:

- Resume writing
- Application processing
- Interviewing skills
- Remedial attention to basic education deficits and utilization of group techniques to build motivation and confidence.

Job placement is defined as:

The referral of individuals, who have completed the job readiness curriculum, to prospective employers and encouragement by contractor for participants to utilize independent job search and placement activities.

Job readiness is defined as:

Mastery of certain adult survival skills which promote adjustment in the community and job retention such as:

- Financial management and personal budgeting
- Grooming and hygiene
- Understanding of available community support services
- Dealing with job stress
- Communication skills.

## II. SCOPE OF SERVICE

A contractor will be selected to provide the following services:

- 1) Provide job readiness training and placement assistance for 200 offenders referred by State and County Probation, Public Defender's Office, State Pretrial Release Office, and Multnomah County Correctional Facility. Program should consist of some or all of the following:
  - a) Assessment and evaluation
  - b) Adult basic education
  - c) Life skills competencies
  - d) Placement assistance.
- 2) Maintain an 80% program completion rate.
- 3) Maintain a 55% job placement rate.
- 4) Maintain bi-weekly reporting to referral sources, including immediate notification of absences or missed appointments.
- 5) Conduct one yearly training session for criminal justice system representatives. Session to be designed to increase awareness of employment barriers and job search difficulties encountered by corrections clients.
- 6) Participate in the Community Corrections Resource Coordination System and provide weekly (52) reports on resource availability.
- 7) Conduct outreach and recruiting activities in order to insure maximum utilization of services.
- 8) Participate in Community Corrections Client Tracking System and provide monthly (12) reports of client activity.

## III. PROPOSAL ELEMENTS

Your proposal must include the following:

- 1) A description of how agency intends to provide the services to the target population. Include an explanation of the expected length of stay and minimum number of referrals to be served.
- 2) A description of the philosophy of service to be used in providing employment services to an exclusively offender population.
- 3) A description of: (a) admission criteria to be used for accepting a client into the program, (b) system to be used to coordinate use of resources with various criminal justice system referral sources.
- 4) A description of agency's client recruitment strategies and outreach efforts. (How will your agency recruit participants.)
- 5) Summarize the major qualifications, required skills and duties of each staff position associated with the employment program. Attach resumes of any current agency staff that will be assigned to these positions.
- 6) Submit an itemized 12-month operating budget showing proposed expenditures.

- 7) Brief description of previous experience with County criminal justice system and service delivery to non-job-ready or unemployed offenders.
- 8) Brief description of agency's budget and primary source of revenue to support unit operations.
- 9) Name of agency's Executive Director.
- 10) Name of Chairperson of Board of Directors.
- 11) Number of Active Members of Board of Directors.
- 12) Description of agency's corporate status.
  - Non-profit, tax-exempt
  - For profit
  - Government agency
  - Other.
- 13) Date of incorporation.
- 14) Brief description of current agency services.
- 15) A copy of your most recent audit or annual report.
- 16) An organizational chart showing the proposed administration of the project.
- 17) A copy of your Board of Directors resolution approving submission of your proposal.
- 18) Any additional information you consider pertinent to your organization's qualification and ability to perform the service.

#### IV. EVALUATION CRITERIA

The proposal's evaluation will be based upon the following:

- |   |         |
|---|---------|
| 1) Demonstrated power to contract and appropriate organizational approval to submit RFP proposal.   | 10 pts. |
| 2) Evidence of administrative capacity to manage scope of program and provide accountability for contract compliance.   | 10 pts. |
| 3) Evidence of diversified and adequate funding base.   | 5 pts.  |
| 4) Evidence of responsible, active Board of Directors that functions independently of management personnel and provides overall accountability for organization's activity.     | 10 pts. |
| 5) Demonstration of organization's suitability to deliver services and compatibility of organization's other service activities with provision of offender employment services. | 10 pts. |
| 6) Applicant's completeness in addressing proposal's elements (Section III, 1-18) and understanding scope of work.  | 25 pts. |
| 7) Evidence of well-planned client recruitment strategy.  | 15 pts. |

8) The applicant has linkage with other provider agencies.	5 pts.
9) Provision of realistic budget.	5 pts.
10) Provision of qualified staff to operate program.	5 pts.
	<hr/>
TOTAL	100 pts.

#### V. EVALUATION PROCEDURE

An evaluation committee comprised of one Community Corrections staff person, one member of the Multnomah County Purchasing Division and one member from the Multnomah County Community Corrections Advisory Committee will evaluate the proposals on Monday, June 10, 1985.

Each of the criteria has been assigned the value indicated under the Evaluation Criteria above. The two bidders receiving the highest total number of points shall be recommended for selection by the Division Director. The Director of Multnomah County Community Corrections will make the selection following an interview with the two top applicants. After the Multnomah County Community Corrections review, the successful bidder will be notified by the Director of the Purchasing Division on or about June 19, 1985.

#### VI. CONTRACT REQUIREMENTS

- 1) Contractor must agree to comply with the Standard General Conditions of all agencies contracting with Multnomah County Community Corrections Division and any Special Conditions deemed necessary by the Division.
- 2) Services will be funded on a cost reimbursement basis. Contractor must agree to maintain accurate fiscal records that conform to generally accepted accounting principles and are in compliance with all County and State audit and accounting requirements.
- 3) Contractor must comply with all applicable federal, state, county and local statutes, rules and funding criteria governing services, facilities and operations.
- 4) The contractor agrees to satisfy all federal, state, county and contract requirements concerning the provision of liability insurance coverage, fidelity bond and Worker's Compensation coverage.

#### VII. RECEIPT OF PROPOSALS

An original and two copies of all proposals must be received by the Multnomah County Purchasing Director located at 2505 SE 11th Avenue, Portland, Oregon, 97202, by 2 p.m., PDT, on Tuesday, June 4, 1985.

#### VIII. TECHNICAL ASSISTANCE

Multnomah County Community Corrections staff cannot provide assistance in developing or writing a proposal beyond that indicated in this RFP and the pre-bid conference. Questions regarding the RFP must be submitted in writing to Multnomah County Community Corrections Division, 1120 SW 5th Avenue, Room 1500, Portland, Oregon, 97204, and those questions and the respective answers will be available to all RFP holders.

Multnomah County reserves the right to reject any and all proposals.

APPENDIX B

CONTRACT NO. \_\_\_\_\_

THIS AGREEMENT, made between the COUNTY OF HENNEPIN, STATE OF MINNESOTA, hereinafter referred to as County, and OPERATION DE NOVO, INC., a corporation organized and existing under the laws of the State of Minnesota, and having its principal place of business at 251 Portland Avenue South, Minneapolis, Minnesota, 55415, hereinafter referred to as Contractor.

I Scope of Contract

Contractor agrees to operate a program that provides screening of District and Municipal Court Defendants, recommendations to the Minneapolis City Attorney and Hennepin County Attorney for deferred prosecution, and the provision of direct counseling services to adult defendants who are diverted from continued prosecution of criminal cases as well as providing a nonresidential treatment program in which it agrees to provide counseling, education, and support services to juveniles and their families who are referred by the Hennepin County Juvenile Court, as outlined in Exhibit "A" attached hereto and made a part thereof as though fully set forth herein.

II Compensation

A. In consideration for program reimbursement to the Contractor, total compensation under this Contract shall not exceed Four Hundred Ninety Two Thousand Thirty Six and 00/100 Dollars (\$492,036.00).

B. To assure competent and uninterrupted performance by the Contractor, the County shall pay to the Contractor for service provided hereunder the sum of Forty One Thousand Three and 00/100 Dollars (\$41,003.00) each month for twelve (12) consecutive months, with the first payment being made on December 15, 1984, it being understood that the contractor's services are to be performed throughout the entirety of each said month.

1. It is understood that for those Adult clients that are referred to the Contractor's program, the total amount of money to be provided to the Contractor under this Contract shall not exceed the amount of Three Hundred Ninety One Thousand Eighty and 00/100 Dollars (\$391,080.00).

2. It is further understood that for those Juvenile clients that are referred to the Contractor's program, the total amount of money to be provided to the Contractor under this Contract shall not exceed the amount of One Hundred Thousand Nine Hundred Fifty Six and 00/100 Dollars (\$100,956.00).

C. Payment for the services rendered under this Contract by the Contractor shall be made following receipt of claims of Contractor for payment and shall be made in the manner provided by law for payment of claims against the County. Contractor shall submit its claims to the County by the Fifth of each month to help assure timely payment. Said claims must state all clients serviced by name, classification, and the number of days that each client has been provided service. It is understood that the sums paid to the Contractor by the County will be expended by the Contractor to pay for operating expenses consistent with the annual budget itemized in Exhibit "B" of this Contract, hereto attached and made a part hereof as though fully set forth herein.

D. So as to assure that payments are made under this Contract shall not exceed the amount set forth in Section II, Paragraph A hereof, the County in its sole discretion may either 1) beginning on October 1, of this Contract's calendar year lower the per diem rate for all or any portion of the remaining Contract term, or 2) within ninety (90) days from the termination of this Contract send to Contractor a statement setting forth the amount of overpayment received by the Contractor from the County and said statement shall be based on the Revenue and Expense Statement and Balance Sheet as set forth in Section XII, Paragraph D hereof and within thirty (30) days after receipt of said statement, the Contractor shall pay in full to the County the amount set forth in said statement or 3) a combination of both methods. It is agreed that the County will give to the Contractor no less than seven (7) calendar days written notice prior to the lowering of any per diem payment rate as above provided.

### III Effective Date/Termination Date

This Contract shall be in full force and effect from January 1, 1984 through December 31, 1984.

### IV Indemnity

The Contractor does hereby agree that it will indemnify and hold harmless Hennepin County Department of Court Services and the County against any and all liability, claims, loss, damages, cost, and expenses including reasonable attorney fees which the Hennepin County Department of Court Services or the County may hereafter sustain, incur, or require to pay and which may arise, directly or indirectly:

1. By reason of any applicant suffering personal injury, death, or personal property loss or damage either while participating in or receiving the care and services to be furnished under this Contract, or while on premises owned, leased, or operated by Contractor, or while being transported to or from said premises in any vehicle owned, leased, chartered, or otherwise contracted for by the Contractor or any officer, agent, or employee thereof; or
2. By reason of any applicant causing injury to, or damage to the property of another person during any time when Contractor or any officer, agent, or employee thereof has undertaken or is furnishing the care and services called for under this contract; or
3. By reason of any act or omission (including without limitation professional errors or omissions) of the Contractor, his agents, officers, contractors, or employees in the performance of Purchased Services; or
4. By reason of the failure of said Contractor fully to perform, in any respect, all obligations under this Contract.

### V Insurance

The Contractor shall purchase and maintain for the entire Contract term such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor's operations under the contract, whether such operations be by the Contractor or by any Subcontractor or by anyone employed by any of them, or by anyone for whose acts any of them may be liable. The Contractor shall provide acceptable certificates of insurance as necessary to show continuous coverage.

1. Claims under Worker's Compensation Disability Benefit and other similar employee benefit acts;

2. Claims for damages because of personal or bodily injury, sickness or disease, or death of any person other than his employees;
3. Claims for damages, other than to the goods or work itself, because of injury to or destruction of tangible property, including loss of user resulting therefrom; and
4. Claims for damages because of bodily injury or death of any person or property damage arising from the ownership, maintenance or use of any motor vehicle.

Worker's Compensation and Employer's Liability Insurance

1. Worker's Compensation Insurance shall be as required by law and shall include an all states or universal endorsement.
2. Employer's Liability Insurance shall be written for not less than \$100,000 each occurrence.

Comprehensive General and Automobile Liability Insurance

1. Minimum Limits:

Bodily and Personal Injury	\$1,000,000 per occurrence
Property Damage	\$1,000,000 per occurrence
2. The following coverages must be specifically insured and certified with no internal sublimits. Aggregate limits are acceptable for property damage due to the Products/Completed Operation hazard:
  - a. Independent Contractors Contingency Liability or Owners Protective Liability (if applicable)
  - b. Products/Completed Operations Liability (if applicable)
  - c. Contractual Liability
  - d. "X, C, U" Hazard Liability (if applicable)
  - e. Personal Injury Liability including claims related to employment
  - f. Broad Form Property Damage Liability, or deletion of the "Care, Custody and Control" exclusion (if applicable)
  - g. Owned, Hired and Non-Owned Automobile Liability
  - h. Waiver of Defense of Municipal Liability Immunity
  - i. Aircraft Liability (if applicable)
  - j. Watercraft Liability (if applicable)
  - k. Professional Errors and Omissions (Malpractice) (if applicable)
3. The contractual liability is to be either on a blanket basis for all written or oral contracts, or specifically endorsed to acknowledge the Contract between the insured and the County of Hennepin.

All certificates of insurance shall provide that the insurance company shall give the County thirty (30) days prior written notice of cancellation, non-renewal or any material changes in the policy, and certificates of insurance shall so state.

The above subparagraphs establish minimum insurance requirements, and it is the sole responsibility of the Contractor to purchase and maintain additional insurance that may be necessary in connection with the Contract.

The Contractor shall not commence work until the Contractor has obtained required insurance and filed an acceptable certificate of insurance with the County. All insurance policies shall be open to inspection by the County upon written request.

#### VI Affirmative Action Policy

In accordance with Hennepin County Affirmative Action Policy and the County Commissioner's policies against discrimination, no person shall be excluded from full employment rights or participation in or the benefits of any program, service or activity on the grounds of race, color, creed, religion, age, sex, handicap, marital status, affectional preference, public assistance status, criminal record, or national origin; and no person who is protected by applicable federal or state laws against discrimination shall be otherwise subjected to discrimination. Contractor will furnish all information and reports required by Hennepin County or by Executive Order No. 11246 and Revised Order No. 4 and by the rules and regulations and orders of the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

#### VII Assignment of Services

The Contractor shall not assign, sublet, transfer or pledge this Contract and/or the services to be performed hereunder, whether in whole or in part, without the prior written consent of the County.

#### VIII Independent Contractor

It is agreed that nothing herein contained is intended or should be construed in any manner as creating or establishing the relationship of co-partners between the parties hereto or as constituting the Contractor as the agent, representative or employee of the County for any purpose or in any manner whatsoever. Contractor is to be and shall remain an independent contractor with respect to all services performed under this Contract. Contractor represents that it has, or will secure at its own expense, all personnel required in performing services under this Contract. Any and all personnel of Contractor or other persons, while engaged in the performance of any work or services required by Contractor under this Contract shall have no contractual relationship with the County and shall not be considered employees of the County and any and all claims that may or might arise under the Worker's Compensation Act of the State of Minnesota on behalf of said personnel or other persons while so engaged, and any and all claims whatsoever on behalf of any such person or personnel arising out of employment or alleged employment including without limitation, claims of discrimination against the Contractor, its officers, agents, contractors or employees shall in no way be the responsibility of the County and Contractor shall defend, indemnify and hold the County, its officers, agents and employees harmless from any and all such claims regardless of any determination of any pertinent tribunal, agency, board, commission or court. Such personnel or other persons shall not require nor be entitled to any compensation, rights or benefits of any kind whatsoever from the County, including,



without limitation, tenure rights, medical and hospital care, sick and vacation leave, worker's compensation, unemployment compensation, disability, severance pay, and P.E.R.A.

IX County's Right to Audit Books and Records

Contractor agrees that the County, State Auditor, or any of their duly authorized representatives, at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt and transcribe any books, documents, papers, records, etc., which are pertinent and involve transactions relating to this Contract. Such material must be retained for three years by the Contractor. Contractor's accounting practices and procedures relevant to this Contract shall also be subject to examination by any or all of the aforesaid persons as often as and during such times as aforesaid.

Data Privacy

Contractor agrees to abide by all applicable state and federal laws and regulations concerning the handling and disclosure of private and confidential information concerning individuals. Contractor agrees to hold the County harmless from any claims resulting from the Contractor's unlawful disclosure or use of private or confidential information.

XI Reporting of Maltreatment of Minors and Vulnerable Adults

Contractor will comply with all of the provisions of:

- A. The Child Abuse Reporting Act, Minnesota Statutes 1982, Section 626.556, as amended by the Laws of Minnesota 1983, Chapter 229, and DPW Rule 12, MCAR 2.207, as promulgated by the Minnesota Department of Public Welfare implementing such Act now in force or hereafter adopted.
- B. The Vulnerable Adults Reporting Act, Minnesota Statutes 1982, Section 626.557, as amended by the Laws of Minnesota 1983, Chapter 273, and all rules promulgated by the Minnesota Department of Public Welfare implementing such Act now in force or hereafter adopted.

XII Reports and Monitoring Procedures

The Contractor shall take the following actions and/or provide the County with the following reports and communications:

- A. Maintain a bookkeeping system which sufficiently and properly reflects all direct and indirect costs of any nature incurred in the performance of this Contract.
- B. If the County discovers through audit or other means, 1) that the Contractor has supplied information to the County which has caused a rate to be established which is higher than that reasonable and necessary for the Purchased Services, or 2) that circumstances have arisen which in the opinion of the County affect the established rate, the County may adjust the total payment to the Contractor to an amount which is based on a rate which is reasonable as determined by the County.
- C. No claim for materials purchased in excess of budget categories or program services not specifically provided for in this Contract will be allowed by the County unless this is approved in writing by the County through the Department of Court Services Contractual Services

Administrator. Such approval shall be considered to be a modification of this Contract.

- D. Quarterly Line Item Expenditure Report -- This report is to be provided to the Hennepin County Department of Court Services Contractual Services Administrator prior to the 15th day of the month following the quarter reported. Said report will provide the Revenue and Expense Statement, which shall account for all funds received and an itemized account of program expenditure in the Balance Sheet, which shall account for any unexpended funds accumulated.
- E. Furnish the County with information regarding any revenue received for program costs. In the event the Contractor hereafter receives revenue other than from this Contract, and such revenue is used to provide any or all of the above service or to pay the personnel listed in Exhibit "A" and Exhibit "B" of this Contract, hereto attached and made a part hereof as though fully set forth herein, for their time allocated to providing said services, then that revenue shall be deducted from the amount which the Contractor would otherwise be entitled to under this Contract. The Contractor further agrees to return any or all excess of payments to the County, through the Department of Court Services Contractual Services Administrator.
- F. Quarterly Progress Report -- This report shall be provided to the Hennepin County Department of Court Services Contractual Services Administrator at the end of each quarter, on the 15th day of the month following the quarter reported. Said report will provide information regarding program activities and client activities and any other such information as may be requested by the Contractual Services Administrator.
- G. Maintain program statistical records required by the County and produce program narrative and statistical data at times prescribed by the Department of Court Services Contractual Services Administrator.
- H. Contractor agrees that it shall observe and carry out the provisions of Exhibit "C", Community Treatment Program Resolution, attached hereto and made a part hereof by this reference, provided that in the event any provision thereof is inconsistent with any provision of this Contract such provision of this Contract shall prevail.
- I. The County may duplicate, use or disclose in any manner consistent with statutes, and have others do so, all data delivered under this Contract.
- J. The County reserves the right to authorize independent evaluations of the Purchased Services.
- K. The Contractual Services Administrator of the Department of Court Services will be the County's authorized representative in dealing with the Contractor.

### XIII Certificate of Incorporation

The Contractor agrees that prior to receipt of funds from the County, the Contractor shall furnish a copy of the Certificate of Incorporation with the Finance Director of the County as evidence that it has been incorporated as a nonprofit corporation under Minnesota Law.

XIV Cancellation/Modification

A. This Contract or a portion thereof may be cancelled at any time, with or without cause, upon thirty (30) days written notice, delivered by mail or in person.

B. Any alterations, variations, modifications, or waivers of provisions of this Contract shall be valid only when they have been reduced to writing, duly signed, and attached to the original of this Contract.

C. After receipt of notice of cancellation, and except as otherwise directed, the Contractor shall:

1. Discontinue provision of Purchased Services under this Contract on the date, and to the extent specified, in the notice of cancellation.
2. Cancel all orders and subcontracts to the extent that they relate to the performance of Purchased Services cancelled by the notice of cancellation.
3. Settle all outstanding liabilities and all claims arising out of such cancellation of orders and subcontracts, with the approval or ratification to the extent that may be required, which approval or ratification shall be final for all the purposes of this clause.
4. Complete performance of such Purchased Services that shall not have been cancelled by the notice of cancellation.
5. Maintain all records relating to performance of the cancelled portion of this Contract as may be required by the County.

D. County shall not be obligated to pay for services provided in an unsatisfactory manner.

E. Notwithstanding the above, Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of this Contract by Contractor, and the County may withhold any payments to the Contractor for the purpose of set-off until such time as the exact amount of damages due the County is determined.

F. It is agreed that any right or remedy provided for herein shall not be considered as the exclusive right or remedy of the County for any default in any respect by the Contractor, but such right or remedy shall be considered to be in addition to any other right or remedy hereunder or allowed by law, equity, or statute.

G. The County's failure to insist upon strict performance of any covenant, agreement, or stipulation of this Contract or to exercise any right herein contained, shall not be a waiver or relinquishment for the future of such covenant, agreement, stipulation, or right, but the same shall remain in full force and effect.

Contractor, having signed this Contract, and the Hennepin County Board of Commissioners having duly approved this Contract on \_\_\_\_\_, 19\_\_, and pursuant to such approval and the proper County Officials having signed this Contract, the parties hereto agree to be bound by the provisions herein set forth.

COUNTY OF HENNEPIN, STATE OF MINNESOTA

Upon proper execution,  
this Contract will be  
legally valid and  
binding.

By \_\_\_\_\_  
Chairman of its County Board

Asst. County Attorney

Associate/Deputy County Administrator

Date: \_\_\_\_\_

ATTEST  
Clerk of the County Board

OPERATION DE NOVO, INC.

APPROVED AS TO EXECUTION:

By \_\_\_\_\_  
Its \_\_\_\_\_

Date: \_\_\_\_\_

And \_\_\_\_\_  
Its \_\_\_\_\_

OPERATION DE NOVO, INC.

STATE OF \_\_\_\_\_ >  
COUNTY OF \_\_\_\_\_ > SS

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by \_\_\_\_\_ and \_\_\_\_\_ of \_\_\_\_\_, on behalf of the \_\_\_\_\_ corporation.

Notary Public  
My Commission Expires:

Contracting for Community  
Corrections Services

USER FEEDBACK FORM

Please complete and mail this self-addressed, postage-paid form to assist the National Institute of Corrections in assessing the value and utility of its publications.

1. What is your general reaction to this document?

\_\_\_\_\_Excellent    \_\_\_\_\_Good    \_\_\_\_\_Average    \_\_\_\_\_Poor    \_\_\_\_\_Useless

2. To what extent do you see the document as being useful in terms of:

Very Useful    Of Some Use    Not Useful

Providing new or important information  
Developing or implementing new programs  
Modifying existing programs  
Administering ongoing programs  
Providing appropriate liaisons

3. Do you feel that more should be done in this subject area? If so, please specify what types of assistance are needed.

4. In what ways could the document be improved?

5. How did this document come to your attention?

6. How are you planning to use the information contained in the document?

7. Please check one item that best describes your affiliation with corrections or criminal justice. If a governmental program, please also indicate level.

\_\_\_\_\_ Dept. of corrections or  
\_\_\_\_\_ correctional institution  
\_\_\_\_\_ Jail  
\_\_\_\_\_ Probation  
\_\_\_\_\_ Parole  
\_\_\_\_\_ Community corrections  
\_\_\_\_\_ Court

\_\_\_\_\_ Police  
\_\_\_\_\_ Legislative body  
\_\_\_\_\_ Professional organization  
\_\_\_\_\_ College/university  
\_\_\_\_\_ Citizen group  
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