

## **9. Contracting**

### **9-A. Introduction**

There are two basic contractual relationships that you will enter into:

- Between County Partnership and the State OFS
- Between County Partnership and the contractors who provide goods or programmatic services

The goal in establishing legally binding and professional contracts is to establish clear roles and responsibilities of the contractor and the county partnership. Differences in interpretation can result in the need for legal consultation or arbitration, both of which can be costly and time consuming for the county partnership. Establishing clear, comprehensive and professionally worded contracts will help avoid potential problems.

The focus of this chapter is to discuss the contracts the county partnership will enter into with contractors. Included in this chapter, is a sample contract, a section discussing contract monitoring and a brief discussion on contract amendments.

While standard fee-for-service contracts are most common, there are a variety of contracting options available. Fee-for-service contracts are clear; a vendor is paid for providing a specific service and payment is tied to providing the tasks required. For example, you might contract with a local school district to provide additional 4K slots in your community. Very likely, you will pay the school for a number of additional slots allowing an underserved child to attend the 4K program. You will pay the school as long as they consistently fill an agreed upon number of slots for the duration of the contract.

Another option is the performance-based contract. In this model, a vendor is paid for outcomes/results rather than inputs. For example, a contract is developed indicating specific outcomes the county partnerships is purchasing and the vendor is paid if the result occurs. This model can be challenging in human service agencies since it is often long-term results that are desired. However, this model does have some applicability for OFS. For example, the county partnership may choose to contract with a vendor to provide adult literacy classes. In a performance-based contract, the county partnership pays the vendor a set amount for each adult in the class who is able to read at a certain grade level at the end of the program. Subsequently, the vendor's primary responsibility is to ensure that this outcome is achieved. If they do not succeed, they are not paid. The risk is left entirely with the contractor.

While developing a contract, it is important to consider that the structure of a contract can have an impact on outcomes. While it may be obvious, efforts must be made to ensure that all parties understand the contract. No work should begin prior to the contract being signed. Also please be mindful that all questions should be resolved before the contract is signed. OFS requires that you have a legal contract in place with all contractors.

Before discussing contracts, we would like to discuss briefly the county partnership contract with the OFS. This agreement will be entered into between the county partnership board and the OFS each year when the state Board of Trustees (BOT) approves your renewal application. This agreement outlines information regarding the county partnership award and the responsibilities of OFS and the county partnership. If you have questions about this contract, please contact your technical assistance liaison.

## **9-B. Contract with Vendors**

As you know, First Steps legislation requires each county partnership to conduct a competitive bid process whenever purchased goods or services equal to or greater than \$10,000. Subsequently, there should be a contract in place with all contractors, even for those providing services costing under \$10,000. As a result, establishing good contracts will help ensure that your missions are fulfilled and that the county partnership and OFS funding is protected.

All contracts or memorandum of agreements (contractual agreements) must be signed by the county partnership board chair or its designee. The county partnership board must approve signature authorizations for contractual agreements

To assist you in this area, the OFS has provided a sample contract you should utilize for all vendor relations. This contract includes the following subsections:

- |   |   |
|---|---|
| <b>1. Parties to the Contract</b>   | <b>14. Payment for Services</b>         |
| <b>2. Effective Period</b>  | <b>15. Title to Equipment</b>           |
| <b>3. Administrators for the Contract</b>                                       | <b>16. Supplantation</b>                |
| <b>4. Independent Status</b>  | <b>17. Amendment</b>                    |
| <b>5. Liabilities and Legal Obligations</b>                                     | <b>18. Subcontracts/Agreements</b>      |
| <b>6. General Provisions</b>  | <b>19. Suspension</b>                   |
| <b>7. Confidentiality/Safeguarding Information</b>                              | <b>20. Termination</b>                  |
| <b>8. Health Information Safeguards</b>   | <b>21. Term and Extension</b>           |
| <b>9. Document Inspection and Retention</b>                                     | <b>22. Integration</b>                  |
| <b>10. Ownership of Data</b>  | <b>23. Severability</b>                 |
| <b>11. Criminal History Review</b>  | <b>24. Incorporation of Attachments</b> |
| <b>12. Responsibilities of the County Partnership<br/>or its Representative</b> | <b>25. Waiver</b>                       |
| <b>13. Responsibilities of the Contractor</b>                                   | <b>26. Miscellaneous</b>                |

The contract template found on the following pages includes the standard items that will ensure each contract the county partnership executes complies with legal requirements and includes a standard attachment that describes the services and activities. The county partnership must ensure that contractors' charges are in-line with services activities described in the scope of work. Therefore, you must include a few additional items that will help you manage and ensure timely and effective service provision. For example, you may wish to add language that:

- Takes advantage of the "Contract Services/Activities Descriptions" (*Attachment I* in the sample contract) to fully develop the scope of work
- Spells out reporting requirements and report due dates; refer to required program specific data

collection information to determine what is needed to fulfill these requirements

- Tells the contractor when invoices are expected and in what format you would like to see costs itemized, remember to request detailed invoices to ensure that you are only paying for services only outlined in the scope of work
- Explains any financial penalties that you may wish to put in place for poor performance

A contract is only as good as the monitoring in place. Please refer to section 9-C for recommendations in this area. Remember, it is the responsibility of the county partnership to monitor expenditures made by contractors and to confirm that they relate directly to services that the contractor agreed to provide.

CONTRACT NUMBER: \_\_\_\_\_

## CONTRACT

### CONTRACT

#### Between

\_\_\_\_\_ COUNTY FIRST STEPS PARTNERSHIP BOARD

#### And

\_\_\_\_\_ Insert name of Contractor \_\_\_\_\_  
 FEDERAL TAX ID# \_\_\_\_\_

### TERMS AND CONDITIONS OF THE CONTRACT

#### 1. Parties to the Contract

This contract is entered into by and between the \_\_\_\_\_ County First Steps Partnership Board (hereinafter "County Partnership") and the \_\_\_\_\_ (hereinafter "Contractor").

#### 2. Effective Period

This contract is effective July \_\_, 200\_\_, and terminates on June 30, 200\_\_.

#### 3. Administrators for the Contract

The persons named below shall be administrators for the respective parties and shall be the persons to whom notices provided for in this Agreement shall be given and to whom matters relating to administration or interpretation of this Agreement shall be addressed. Either party may change its administrator, address, telephone number, fax number or e-mail address by giving timely written notice to the other Party.

#### **For the County Partnership:**

(name/title)  
 \_\_\_\_\_ County First Steps Partnership  
 Board  
  
 (Address)  
 (City, State, Zip Code)  
 Phone: ( )  
 Fax: ( )  
 (e-mail address)

#### **For the Contractor:**

(Provider Name)  
  
 (Name of agency/organization)  
  
 (Address)  
 (City, State, Zip Code)  
 Phone: ( )  
 Fax: ( )  
 (e-mail address)

4. Independent Status

- a. The parties hereto acknowledge that they are independent entities. Neither party shall represent itself as agent or employee of the other, nor shall either party bind or represent that it has the ability to bind the other to any monetary or legal obligation.

5. Liabilities, Legal Obligations and Indemnification:

- a. Each party hereto agrees to be responsible for its own liabilities and those of its officers, employees, agents and representatives arising out of this contract, including fiscal responsibility for any deviation from this contract.
- b. The Contractor agrees to indemnify and hold harmless the County Partnership and their officers, employees, agents and representatives from any and all damages, penalties, fines, claims of third parties, liens, suits, liabilities, costs, judgments and expenses (including attorneys', consultants' or experts' fees and expenses) arising out of any act or omission of the Contractor in connection with the performance of this contract.

6. General Provisions

This contract and any dispute, claim, or controversy relating to it or its performance shall be interpreted, construed, enforced, and governed under the laws of the State of South Carolina. The parties agree that all disputes, claims, and controversies relating to this contract or its performance shall be resolved exclusively in the Court of Common Pleas for insert county name County, South Carolina and the appropriate appellate courts of the State of South Carolina. Each party waives any objections or grounds it may have to personal jurisdiction, venue, or forum non-conveniens and consents to the personal jurisdiction of the aforementioned Court of Common Pleas.

In witness to the terms of this contract, the Contractor and the County Partnership have executed this contract in duplicate originals, one of which is retained by each of the parties.

Payment of compensation to Contractor specified in the contract is dependent upon and subject to the allocation and payment of funds to the County Partnership by the State Office of First Steps to School Readiness ("SCFS") for the purposes set forth in this contract and is contingent upon availability of funds from SCFS. The County Partnership has the authority, without damages or penalty, to cancel the contract at any time or to change the amount of the allocation to the Contractor and negotiate changes, if needed; in the scope of the contract should the amount of funding from SCFS be less from that anticipated.

This contract is subject to monitoring or auditing by the County Partnership or its duly authorized representative ("Representative") as well as by the SCFS or its duly authorized representative.

## 7. Confidentiality/Safeguarding Information

- a. All materials, information, and data generated by the Contractor in the performance of service activities outlined in Scope of Work whether verbal, written, recorded magnetic media cards or in any other format, are confidential information. The Contractor agrees that any of its employees, agents or representatives who may be in receipt of or are required to work with the confidential information in the performance of their duties, shall comply in all respects with this confidentiality requirement. The Contractor agrees to take all necessary steps to safeguard the confidentiality of such materials, information, and data. The County Partnership shall ensure that all aggregate and demographic information in its possession, provided by or obtained from Contractor regarding individuals who received services under this contract shall be maintained in a secure location. Materials, information, and data generated by this contract that is stored offsite must be in compliance with HIPPA.
- b. To comply with the Federal Educational Rights and Privacy Act of 1994 (FERPA) and the Family Privacy Protection Act of 2002, The Contractor shall use and/or disclose protected educational and personal information only to the extent necessary to satisfy obligations under this contract. Information may not be released without a properly completed authorization signed by the individual or his/her parent or guardian. If information is released pursuant to the receipt of a properly completed authorization, documentation of the release must be maintained. A copy of the authorization must be included in this documentation.

## 8. Health Information Safeguards

- a. To comply with the Health Insurance Portability and Accountability Act of 1996 (HIPPA), the Contractor shall use and/or disclose protected health information only to the extent necessary to satisfy obligations under this contract. Information may not be released without a properly completed authorization signed by the individual or his/her parent or guardian. If information is released pursuant to the receipt of a properly completed authorization, documentation of the release must be maintained. A copy of the authorization must be included in this documentation.
- b. The Contractor shall develop, implement, maintain, and use appropriate administrative, technical, and physical safeguards to prevent the improper use or disclosure of protected health information, to secure the integrity of electronic health information, and to protect the exchange of health information in electronic transactions. The obligation to protect health information shall be continuous and shall survive any termination, cancellation, expiration or other conclusion of this contract.
- c. Prohibition on Unauthorized Use or Disclosure of Health Information: The Contractor shall not use or disclose any protected health information except as permitted or required by this contract or otherwise authorized in writing by the service recipient or guardian. The Contractor shall report in writing to the SCFS any use or disclosure of health information not authorized by this contract. The report must include the following: (1)

identify the nature of the unauthorized use or disclosure; (2) identify the health information that was used or disclosed; (3) identify who made the unauthorized use or received the unauthorized disclosure; (4) identify steps taken or will be taken by the Contractor to minimize the harmful effect of the unauthorized use or disclosure; (5) identify corrective action that the county partnership and its Contractor has or will implement to prevent future unauthorized use of disclosure of health information.

- d. Access to Health Information: The Contractor shall permit service recipients to inspect and copy their health information in the custody and control of the Contractor. The Contractor shall establish procedures for providing such access to health information.
- e. Disposal of Health Information: Upon termination, cancellation, expiration or other conclusion of this contract, the Contractor, if feasible, shall make available to the service recipient all health information pertaining to that service recipient. Within a 30-day period from termination, cancellation, expiration, or other conclusion of this contract, the Contractor shall certify in writing to SCFS the return or disposal of all health information. If return or disposal is not feasible, written justification explaining why health information could not be returned or disposed must be submitted to SCFS.

#### 9. Document Inspection and Retention

- a. During normal business hours the County Partnership, SCFS, the South Carolina Comptroller General, the South Carolina Budget and Control Board, the South Carolina State Auditor, or any of their duly authorized representative(s) shall have the right to enter the Contractor's premises, or other such places where duties under the contract are being performed, to inspect, monitor, assess, audit, or otherwise evaluate the work performed or being performed under this contract. They shall have the right to audit, examine and make copies, excerpts or transcripts from all records unless otherwise precluded by federal or state law, contact and conduct private interviews with the Contractor's employees and perform on-site reviews of all matters relating to this contract. The Contractor shall maintain an accounting system with the supporting fiscal records adequate to assure that all claims for funds are in accordance with the contract and with all applicable laws, regulations and policies, both federal and state.
- b. The Contractor shall assure that all Contractor and subcontractor materials, documents, papers, accounting records, or other evidence pertaining to costs incurred under this contract will be maintained for a period of at least three (3) years after the final payment under this contract and that the County Partnership, SCFS, the South Carolina State Auditor, the South Carolina Comptroller General, or any of their duly authorized representatives shall have access to any such materials for the purpose of making audits, examinations, excerpts, and transcripts for no less than three (3) years after the date of final payment under this contract or a resolution of audit findings, whichever is later. The Contractor agrees to retain all financial records and programmatic records, supporting documents, and statistical records for a period of three (3) years after the last payment is made under the contract including any amendments and/or extensions to the contract.

- c. If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the three (3) year period, the records shall be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three (3) year period, whichever is later.
- d. The provisions of this contract are applicable to any subcontractor. If any inspection, audit, or evaluation is made on the premises of the Contractor, or subcontractor, the Contractor shall provide and require subcontractor to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All such inspections and evaluations shall be performed in such a manner that will not unreasonably delay work and any subcontract permitted by the County Partnership shall contain a provision, which sets forth the subcontractor's agreement with the terms set forth in this section.

#### 10. Ownership of Data

- a. All property rights in, but not limited to, software, data, and other records entered into any database of the Contractor or supplied to the Contractor and publication rights in any interim, draft, and final reports and other documentation (hard copy and electronic media) produced by the Contractor in connection with work provided for under this contract shall vest in and be retained by the County Partnership and SCFS.
- b. "Data" shall mean for purposes of this contract all results, technical information, and materials developed and/or obtained in the performance of the services hereunder including, but not limited to, all reports, surveys, plans, charts, test data, program documentation, recordings (sound and/or video), pictures, drawings, analyses, graphic representations, printouts, notes and memoranda, and documents, whether finished or unfinished, which result from or are prepared in connection with the services performed hereunder.
- c. The County Partnership and SCFS have the right to all working papers, reports, charts, programs, and other material developed by the Contractor during the course of this contract.
- d. All documents, reports, manuals, and other data prepared during and/or resulting from the performance of services under this contract shall include the following statement: "The preparation of this (report or document) was funded through an agreement with the County First Steps Partnership with funds provided by the State Office of First Steps."
- e. The Contractor may not publish or copyright any data without prior approval of the County Partnership and SCFS, unless otherwise stated herein. The County Partnership and SCFS shall have the right to publish, duplicate, use and disclose all such data in any manner, and for any purpose whatsoever, and may authorize others to do so.

#### 11. Criminal History Review

Contractor is required to ensure, to the greatest extent possible, that individuals with any



record of engaging in child or elder abuse or neglect, or having any other issues that affects their suitability for employment do not provide services under this contract. Prior to receipt of funds under this contract, the Contractor must demonstrate to the satisfaction of the County Partnership that it has a process in place for reviewing the background of all employees engaged in providing services under this contract to include at a minimum a Department of Social Services Central Registry and South Carolina Law Enforcement Division check.

12. Responsibilities of the County Partnership or its Representative

- a. Review, approve, and compensate Contractor for costs of services and activities described in this contract.
- b. Monitor the Contractor for compliance with the terms and conditions of this contract.
- c. Specify all reports and deliverables required from the Contractor.
- d. Maintain audit and similar reports submitted by the Contractor for three (3) years after the last payment to Contractor or until any audits or similar reviews in progress are completed, whichever occurs last.
- e. Serve as the single point of contact for any matters specified in this contract.
- f. Provide payment for services in the method outlined in Section 14 of this contract.
- g. Terminate this contract as described in Section 20.

13. Responsibilities of the Contractor

- a. Work with the County Partnership to develop reports that will assist in monitoring outcomes.
- b. Perform the activities described in the scope of work in full accordance with the terms of this contract.
- c. Attend scheduled meetings with the SCFS and/or the County Partnership, or their duly authorized representatives, as requested and submit to the County Partnership, in a timely manner and in such a form as specified, requested written reports, to include at a minimum a year-end report.
- d. Promote the activities specified in the scope of work and this contract as being funded by the County Partnership.
- e. Comply with Title VI and VII of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973, as amended, and regulations issued pursuant thereto; the Americans with Disabilities Act of 1990 and regulations issued pursuant thereto; the Drug Free Workplace Act, S.C. Code Ann. Sections 44-107-10, et seq. 1976, as amended; and any similar applicable laws, regulations or rules.
- f. Ensure that no funds provided under this contract will be used for any partisan political activity, lobbying any federal or state governmental entity or official, or to further the election or defeat of any candidate for public office.
- g. Fully participate, as requested, in the County Partnership's evaluation process, including collecting and providing to the County Partnership or SCFS any and all data and/or other information that may be required for such evaluation.
- h. Submit to the County Partnership or its representative any other plans, reports, documents, or other products that the County Partnership or its representative may specify.
- i. Comply fully and in a timely manner with all financial procedures established by the County Partnership, the SCFS, or their duly authorized representatives.
- j. Maximize the use of in-kind contributions (volunteers, goods, services, facilities) and agree to assist the County Partnership in accurately quantifying those contributions and any other direct or indirect funding the County Partnership funds have leveraged. Provide a match of 15% in-kind contribution of goods and services.
- k. The Contractor shall use or expend the funds provided by this contract only for the purposes for which they were appropriated by the General Assembly or collected by the State. A copy of any required audit must be filed with the County Partnership or its

representative within one month of receipt of the final audit.

- l. Promptly notify the County Partnership or its representative if the Contractor's tax status is changed, revoked, or modified in any way.
- m. Receive written approval from the County Partnership prior to implementation of any changes by the Contractor in services or activities funded in whole or in part by the County Partnership of any changes in the budget for these services or activities.
- n. Secure, maintain, and provide evidence of an Honesty Surety Bond in a form satisfactory to the County Partnership covering staff involved in the handling of funds allocated to the Contractor by the County Partnership when the total contract amount exceeds, or is expected to exceed, \$100,000.

#### 14. Payment for Services

- a. The total payments under this contract shall be in accordance with the budget outlined in Attachment(s) of this contract. The County Partnership shall not remit or pay funds to the Contractor prior to the effective date of this contract.
- b. To receive payment for services, the Contractor shall submit invoices, at a minimum quarterly, to the County Partnership. The form of invoices and the frequency and basis for submitting and paying invoices, which should be no more than two times per month, shall be as agreed upon by the Contractor and the County Partnership in writing and attached to this contract.
- c. The County Partnership or its representative shall cause payment to be made to the Contractor on an invoice based upon the determination by the County Partnership that the services or goods rendered and the invoice comply with the provisions of this contract.

[NOTE: On a limited basis as determined by the SCFS, the County Partnership and the Contractor may file a special consideration allowing the County Partnership to release funds in advance to a specified Contractor. The special consideration request must include an effective date, effective time period, and monetary amount distinct from those items of a similar nature listed elsewhere in this contract; each shall be subject to the prior authorization of the SCFS. The special consideration request should be an attachment to the contract. The County Partnership has the authority to cease advancing payments if the Contractor fails to make significant progress toward achieving outcomes as defined in Attachment(s) of this contract, or if the quality of services or activities provided fails to meet County Partnership's standards and expectations for any reason, or if the Contractor fails to submit required reports in a timely manner.

#### 15. Title to Equipment

Title to equipment acquired by the Contractor with contract funds shall vest in the Contractor, subject to the following conditions:

- a. The Contractor shall use the equipment in the service or activities provided under the contract as long as needed. When equipment is no longer needed for the services or activities, or if operations are discontinued, the Contractor shall notify the County Partnership or its representative and receive written instructions regarding disposition of the equipment with which the Contractor shall comply.
- b. When acquiring replacement equipment, the Contractor may use equipment purchased for use in any County Partnership contract as trade-in against replacement equipment for that contract subject to prior written approval of the County Partnership.
- c. For equipment costing in excess of one thousand dollars (\$1,000), equipment controls and procedures must be in place to safeguard the assets according to the procedures mandated by the County Partnership.

#### 16. Supplantation

The Contractor agrees that First Steps funds allocated to the Contractor shall not supplant or replace current funds spent within the county on behalf of young children and their families, but will be used to expand, extend, improve, or increase access to services or enable a community to begin to offer new or previously unavailable services in that community. The Contractor shall not use County Partnership funds in any circumstance where other funding sources are available or could be made available to the Contractor for those purposes.

#### 17. Amendment

This contract may be modified by written amendment at any time upon prior written approval by the County Partnership. All changes shall be in effect only after being incorporated in a written amendment to this contract and signed by both the County Partnership and the Contractor.

#### 18. Subcontracts/Agreements

Any subcontract or subagreement entered into by Contractor with funds provided under this contract is subject to prior review and approval by the County Partnership, must be in writing, and shall be subject to the same terms and conditions of this contract. The Contractor shall continue to be responsible for complying, and requiring the compliance of any subcontractor, with the requirements of this contract.

#### 19. Suspension

This contract may be suspended, in whole or in part, upon ten (10) days written notice to the Contractor's Contract Administrator by the County Partnership if, in the sole discretion of the County Partnership, the Contractor has materially failed to comply with terms and conditions of the contract, including all attachments and amendments. Suspension will remain in effect until:

- a. The Contractor has taken corrective action as approved by the County Partnership or its representative;
- b. The Contractor has given written assurances satisfactory to the County Partnership or its representative that corrective action will be taken; or
- c. The contract is terminated by either party or by mutual consent of both parties.

## 20. Termination

This contract may be canceled, in whole or in part, at any time:

- a. By either party immediately for cause based on the other party's failure to comply with a material provision of this contract upon written notice to the other party's Contract Administrator;
- b. By either party without cause upon at least thirty (30) days notice in writing to the other party's Contract Administrator; or
- c. By mutual written consent of both parties.

After receipt of a notice of termination and except as otherwise directed by the County Partnership, the Contractor shall cease work under the contract on the date and to the extent specified in the notice of termination. Any termination in part by the Contractor is subject to the approval of the County Partnership. In the event of termination in part, both parties shall continue the performance of this contract to the extent not terminated. If the contract is terminated in whole as provided herein, the Contractor will be paid for approved expenses actually incurred under the contract through the termination date, provided that funds are available.

The Contractor must return to the County Partnership any unearned funds under the contract remaining in its possession once all funds for approved expenses actually incurred have been paid in full.

## 21. Extension

At the expiration of the term of this contract, the County Partnership shall, in its sole discretion, have the option to extend this contract for no more than four (4) one-year periods, for a total of five (5) years, by a written agreement, if funding is available and if the Contractor meets all requirements set by the County Partnership and all applicable guidelines of the State Board of Trustees.

## 22. Integration

This contract shall be construed to be the integration of all understandings between the parties hereto. No prior or contemporaneous addition, deletion, or other amendment hereto shall have any force or effect whatsoever unless contained in or incorporated by reference into this

contract. No subsequent notation, renewal, addition, deletion, or other amendment shall be valid unless executed and approved pursuant to Section N of this contract.

23. Severability

It is expressly understood and agreed that in the event any one or more of the provisions of this contract shall be invalid or unenforceable for any reason, the remaining portions of this contract shall, nevertheless, remain in full force and effect, and the invalid or unenforceable provisions(s) shall be deemed deleted.

24. Incorporations of Attachments

All attachments referred to in this contract are attached hereto, are expressly made a part hereof, and are incorporated herein as if fully set forth herein.

25. Waiver

Waiver of any default shall not be deemed to be a waiver of any prior, concurrent, subsequent, or other default. Waiver of a breach of any provision of this contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this contract unless stated to be such in writing, signed by an authorized representative of the County Partnership and attached to this contract. Any failure by either party to specifically perform or to enforce performance exactly according to the terms of this contract shall not constitute an alteration of the same by way of enlargement, waiver, reduction, estoppel, or otherwise, unless confirmed in writing by both parties and attached hereto.

26. Miscellaneous

- a. Each party shall, in writing, designate a Contract Administrator and provide all contact information for him or her. The Contract Administrator shall have the duties or functions assigned to him or her herein.
- b. The Contractor shall provide and maintain continuously throughout the term of the contract all insurance coverages, including the type, amount and forms of coverage, required by the County Partnership.

27. Authority

The persons signing below certify their authority to execute this agreement on behalf of the parties.

\_\_\_\_\_ **COUNTY FIRST STEPS PARTNERSHIP BOARD**

BY: \_\_\_\_\_  
Insert name, Chairperson

\_\_\_\_\_  
Witness

**INSERT NAME OF PROVIDER**

BY: \_\_\_\_\_  
Insert name/title

\_\_\_\_\_ Witness

**ATTACHMENT I**  
**Contract Services/Activities Description**

**A. Services**

The services and/or activities to be purchase or provided under this contract are limited to those described and indicated below.

INSERT SERVICE ACTIVITIES/SCOPE OF WORK

**B. Reporting Requirements**

The Contractor shall submit reports as specified by the County Partnership.

INSERT REPORTING REQUIREMENTS

**C. Budget**

Attach approved budget (contract budget template) for all services and/or activities listed in Section A of this Attachment.

ATTACH COMPLETED CONTRACT BUDGET TEMPLATE



### **9-C. Contract Monitoring**

Once vendors are in place and contracts are finalized, the county partnership has the responsibility to monitor contractors, to ensure that contractors are adequately carrying out the scope of work described in the contract and achieving the outcomes desired by the county partnership. Ultimately you will be held responsible if a contractor does not fulfill its role.

Contractors are responsible for execution of the agreed-upon tasks specified in their contract and for making available accurate budgetary and programmatic data to the county partnership director upon request. One way the county partnership will be able to monitor your contractor is through regular reports and invoices.

The main points to remember are no matter which method you choose for contract monitoring:

1. Establish a clear contract document using the template provided in this manual
2. Require regular report showing whether or not the work accomplished by the contractor is being followed per the contractual agreement
3. Review invoices as they relate to the vendor's established services

### **Invoices**

Once services have been provided, the contractor will submit an invoice to the county partnership. Invoices should be generally submitted on a monthly basis and within 15 days of the end of a calendar month. Maintaining aggressive time frames helps the OFS maintain an up-to-date accounting record. County partnership staff must work with contractors to ensure that invoices are accurate and submitted in a timely manner. Remember after the fiscal year ends on June 30th, all vendors have one month to submit all invoices or the invoice will be paid with the subsequent FY funds.

As the county partnership director, when you receive an invoice you should check it against your budget spending plan and review it for accuracy and reasonableness. All invoices should be checked against the aforementioned service activities to ensure each service is in agreement with what is stated in the provider's contract.

For example, you may receive an invoice for an early education program. The invoice might include costs for items such as personnel, supplies, books, or snacks and the cost of a new copy machine. It might seem odd that you would be invoiced for a copy machine since the contract is for slots for children in a pre-school program. Consequently, it may be necessary to seek clarification regarding this particular expenditure. If the vendor cannot show how this expense was included in the contract, the county partnership can remove the cost of that expense from the invoice.

Effective November 1, 2002, all invoice authorization forms submitted to RFMs for payment must have two signatures to ensure fiscal accountability. RFMs have been instructed that as of November 1 they are not to pay any invoice that does not have two signatures. These two signatures must be a county office staff person and a board member. The board member should be the county partnership board chair, the vice-chair, or the chair of your finance committee (or your Treasurer, whichever is applicable to your county). While only one additional signature (other than staff) is required, the county partnership must give all three of these board members signature authority as outlined below to ensure that there will be another person available to sign.

The First Steps legislation requires, "Disbursements may be made only on the written authorization of the individual designated by the county partnership board, and only for the purposes specified." Therefore, to implement this policy, we are asking that the county partnerships do the following:

- The county partnership board must approve persons with invoice signature authority. OFS suggests those persons be the executive director and the three board members discussed above. The meeting minutes must reflect who those persons are and that they have been designated with signature authority by the county partnership board.
- Fill out the attached signature authority form. Make one copy for your files, send one copy to your RFM, and send one copy, with a copy of the minutes discussed above immediately to OFS.
- Any time you need to change your persons with signature authority, just follow the procedures above.

Invoices must be coded based on the OFS accounting structure. It is necessary for the contractors' invoices to include a program code. This will make it easier to enter in the OFS accounting system. Any questions you have in this area should be discussed with your RFM.

Effective July 1, 2002, Executive Directors must submit a copy of all signed contracts to the RFM and to the OFS TA Liaison. It is important to note that the RFM will not pay any invoices without a signed contract on file. The RFM will load each contract into UMS as a commitment. These committed amounts will appear on monthly UMS reports. As payments are disbursed, contract committed amounts will be reduced.

### **Contract Numbering**

Effective July 1, 2002, all contracts must be numbered. The contract number should be 20 character fields maximum. The format is as follows: Fiscal year/County #/Contract Sequence #/Contractor Name. The contract number should be positioned as a footer on all pages. No one contract should have the same contract number. For example, Horry County First Steps Partnership Board has contracted with the Horry County School District for a particular service(s), the contract number may read as follows: 03-26-0 I-HCSD. Horry County First Steps has a second contract with the Horry County School District for county partnership staff payroll, that contract number may read: 03-26-02-HCSD

### **Breach of Contract**

In rare instances you may have serious difficulty with a contractor and a breach, or a violation, of the contract may occur. If the county partnership does encounter this situation, please contact the OFS immediately for assistance in handling the matter.

Anything that hinders delivery of the best possible service or products can adversely impact the success of First Steps. Disputes with contractors are perhaps the worst hindrances. Using properly prepared written contracts can protect you from disputes, which will make your partnership more successful. Should you have any questions or concerns regarding contracts, please contact your OFS T A Liaison.

### **Site Visits**

Site visits may be announced or unannounced. It is recommended that you notify the contractor at least one week in advance. The purpose of site visit is to review operations, records, policies and documentation for contracted services. Please notify the contractor of specific items to be reviewed during this process to ensure that your visit will be most effective. You may wish to observe daily operations, interview staff, program recipients, and read the contractor's policies to ensure they are being carried out. You may also wish to review financial records at this time. The site visit can be an effective contract-monitoring method especially if the contractor is given the opportunity to address your findings. This should be a mutually beneficial time for county partnership staff and the contractor to discuss service provision and expectations.

### **Special Consideration for Advance Payment**

A contractor may request advance payment for services not yet rendered. In this situation, the contractor must provide the county partnership with a written request to include the amount and the justification for advance payment. The county partnership board must approve the contractor's request for advance payment.

The county partnership and the contractor may then file a special consideration request with the purpose of agreeing that the county partnership release funds in advance to a contractor. The special consideration request shall include an effective date, effective time period, monetary amount, and the justification for this request; each shall be subject to the authorization of the OFS. The special consideration request shall be an attachment to the contract.

#### 9-D. Contract Amendments

Occasionally, in working with your contractors you may encounter a situation in which a contract needs to be amended. This must occur when the scope' of services is modified, when the time period changes, or when the amount of funds changes. **The total contract amount cannot be increased by more than 10% per year.** For example, you may find that an adequate amount of referrals cannot be obtained for a service and expenditures are less than expected. You find that you have additional funds and decide that another sub-contractor can expend funds within the current fiscal year. In this situation you may wish to develop a contract amendment. A template has been provided for you. If you find yourself in this situation, contact your TA Liaison.

**AMENDMENT NUMBER** \_\_\_\_\_ **(INSERT AMENDMENT NUMBER)**  
**EXTENSION NUMBER** \_\_\_\_\_ **(INSERT EXTENSION NUMBER, IF APPLICABLE)**

**TO THE CONTRACT**

**BETWEEN**

\_\_\_\_\_ **COUNTY FIRST STEPS PARTNERSHIP**

**AND**

\_\_\_\_\_ **(INSERT CONTRACTOR'S NAME)**

**FEDERAL TAX ID#** \_\_\_\_\_ **(INSERT TAX ID#)**

**4. Parties to the Contract**

This amendment is entered into by and between the \_\_\_\_\_ County First Steps Partnership Board (hereinafter "County Partnership") and the \_\_\_\_\_ (hereinafter "Contractor").

**5. Effective Period**

This amendment is effective as of the \_\_\_\_ day of \_\_\_\_\_, 200\_.

**6. Administrators for the Contract**

The persons named below shall be administrators for the respective parties and shall be the persons to whom notices provided for in this contract shall be given and to whom matters relating to administration or interpretation of this contract shall be addressed. Either party may change its administrator, address, telephone number, fax number or e-mail address by giving timely written notice to the other Party.

**For the County Partnership:**

(name/title)  
 \_\_\_\_\_ County First Steps Partnership  
 Board  
  
 (Address)  
 (City, State, Zip Code)  
 Phone: (    )  
 Fax: (    )  
 (e-mail address)

**For the Contractor:**

(Provider Name)  
  
 (Name of agency/organization)  
  
 (Address)  
 (City, State, Zip Code)  
 Phone: (    )  
 Fax: (    )  
 (e-mail address)



Whereas, Section \_\_\_\_ (insert N or 17) allows for an amendment to this contract when mutually agreed upon by the County Partnership and Contractor.

Whereas, Section \_\_\_\_ (insert R or 21) allows for an extension of this contract by the County Partnership.

Now therefore, the following revisions shall be accomplished and incorporated into the \_\_\_\_\_, 20\_\_\_\_, contract as if fully set forth therein.

(Effective Date of Contract you are amending)

*(INSERT REVISIONS AS APPLICABLE TO AMENDMENT)*

#### **REVISION I**

The contract term shall be extended and shall expire on June 30, 20\_\_.

#### **REVISION II**

The contract term shall now be from July 1, 20\_\_ to June 30, 20\_\_.

#### **REVISION III**

This contract shall be amended to incorporate the service activities outlined in the Attachment(s) of this amendment.

#### **REVISION IV**

This contract shall be amended to incorporate the budget outlined in the Attachment(s) of this amendment.

#### **4. Authority**

The persons signing below certify their authority to execute this agreement on behalf of the parties.

\_\_\_\_\_ **COUNTY FIRST STEPS PARTNERSHIP BOARD**

BY: \_\_\_\_\_  
Insert name, Chairperson

\_\_\_\_\_  
Witness

**INSERT NAME OF PROVIDER**

BY: \_\_\_\_\_  
Insert name/title

\_\_\_\_\_