

COUNTY OF YOLO

CONTRACT ADMINISTRATION MANUAL

FOR COMMUNITY-BASED ORGANIZATIONS



Revised July 2014

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TABLE OF CONTENTS

I.	INTRODUCTION	3
A.	Yolo County Mission Statement	3
B.	Purpose of Manual	3
C.	Oversight and Responsibilities	3
II.	CONTRACTING PROCESS AND PROCEDURES	4
A.	Overview	4
B.	Types of Contracts	5
C.	Common Elements for all CBO Contracts	5
D.	CBO Contract Execution Process	6
E.	Termination of Contract.....	7
III.	PAYMENT METHODOLOGY.....	9
A.	Invoicing.....	9
B.	Reconciliations/Adjustments	9
C.	Cash Advance Policy	9
IV.	Default Policy	9
A.	Elements	9
B.	Remedies.....	10
V.	PROGRAM AND FISCAL REQUIREMENTS	10
A.	Monitoring and Evaluation.....	10
B.	Inventory	12
C.	Complaints	12
D.	Designated Representative	13
E.	Accident Reporting.....	13
F.	Accounting/Auditing Standards	13
VI.	Appendix A - GLOSSARY OF TERMS	14

I. INTRODUCTION

A. Yolo County Mission Statement

The Board of Supervisors of the County of Yolo and county employees are committed to service the needs of the community and to enhance the quality of life for Yolo County residents.

Our mission is to create and sustain a higher quality of life for Yolo County by promoting the safety and well-being of the people.

The vision of Yolo County is to provide the most effective, trusted and respected local government services.

B. Purpose of Manual

The purpose of this Contract Administration Manual (CAM) is to provide community-based organizations that contract with the County of Yolo a readily available resource which establishes the mutual responsibilities of the parties to the contract, as well as a uniform framework for the complete contract process. Also included in the CAM are the policies and procedures that relate to the mechanics of those activities between the Board of Supervisors, operating departments and the contracting organizations.

C. Oversight and Responsibilities

1. Board of Supervisors

The Board of Supervisors is the governing body of Yolo County. Under the State Constitution, State General Law, and the County Code, the Board adopts ordinances and sets policy. The Board supervises the operations of departments exercising general executive and administrative authority in county government. Those county departments are in turn responsible for putting the Board's laws and policies into effect.

2. Supervising Department

The supervising department (e.g., Probation Department, Department of Employment and Social Services, Health Department and Alcohol, Drug and Mental Health Department) is responsible for processing community-based organization (CBO) contracts to the Board of Supervisors. The supervising department assigns a liaison to assist the CBO with the development of exhibits and helps resolve specific contract problems/discrepancies.

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

The supervising department liaison shall provide a current copy of both this Contract Administration Manual and the Accounting Handbook for Community-Based Organizations to any CBO with whom the department is contemplating doing business.

After a contract is approved, the liaison monitors the contract to assure compliance with the contract, funding and program requirements, special exhibits and Board policy.

3. Auditor-Controller

The Auditor-Controller's office is responsible for encumbering funds, paying the contractor's invoices, maintaining a county-wide system to monitor compliance with contractual provisions, laws and regulations and to ensure fiscal accountability as required by the funding sources. The office also provides technical assistance and advice on accounting matters.

4. Risk Management

The Risk Manager represents the County in reviewing supervising and insurance issues/concerns and assessing risk in order to protect the County, its employees and its assets.

5. Contractor

The contractor is a community-based organization contracting to provide certain goods and/or services to the County or on behalf of the County. The contractor drafts the service and budget exhibits in cooperation with the supervising department liaison. The contractor must comply with all terms of the executed contract in providing the contracted goods or services. The contractor is responsible for billing/invoicing the County in accordance with the terms of the contract.

II. CONTRACTING PROCESS AND PROCEDURES

A. Overview

It is the policy of Yolo County to contract for services not readily available within the county system. Individuals and/or organizations are selected to provide the needed items or services through a competitive selection process.

County departments should have a formal and uniform process for selecting qualified contractors to carry out their programs. This process may include a competitive selection process through a request for proposal process and evaluation of proposals based on criteria that take

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

into account funding agencies' requirements and contractors' past performance.

The County generally publishes specifications of the services it wishes to purchase and solicits bids/proposals from the appropriate individuals or organizations. If the County determines that only one individual organization is qualified to provide the necessary services, it may bypass the competitive selection process in accordance with the County's Administrative Policy Manual, and contract directly with the designated provider.

Upon selection, the provider submits a written narrative describing the services offered, together with a budget or expense summary and proof of appropriate insurance coverage. The submission is reviewed by supervising department staff and any appropriate advisory boards. Contracts greater than \$100,000 generally require the Board of Supervisors approval. Once the contract has been approved and signed, the contractor provides the services specified. The contractor then invoices and is paid per the terms of the contract.

B. Types of Contracts

The County uses two basic forms for entering into contractual relationships with community-based organizations: short-form contract and standard agreement. Although the County generally favors using these basic forms as the starting point for entering into a contract, the County also recognizes that there will be certain circumstances in which a form developed by another entity will need to be incorporated into the final agreement. Some elements should be common to any of the County's standard forms, as well as any other form that might be used in a particular context.

C. Common Elements for all CBO Contracts

1. Contract (Short Form and Standard Agreement)

- a. Statement of services to be provided
- b. Detailed description of how the services will be provided and the goals/objectives of the program

2. Terms & Conditions of Payment

- a. Narrative description of terms and conditions for payment
- b. Revenue and expense summary showing funding sources, expense categories, and match (if appropriate)
- c. Where applicable, contract budget, including line item of

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

listing revenues and expenditures

- d. Additional funding compliance requirements from OMB Circulars (if applicable)

3. Insurance Requirements

All contractors are required to provide proof of insurance that designates the County as additional insured and complies with all other specified requirements. Insurance waivers are granted by the County Risk Manager.

4. Performance Goals and Operating Standards

Performance goals and standards should be clearly established in each CBO contract. Uniform standards should be codified in a manual. These standards should include: contracting standards (as described in this *Contract Administration Manual*), programmatic standards established by funding agencies, and financial management standards established by the County Auditor-Controller (as described in the *Accounting Handbook for Community-Based Organizations*).

5. Special Conditions

There may be other requirements by the supervising department; such as, audit of contractors receiving funds through the County for fiscal requirements specific to a program and/or State and Federal regulations. Contact your department liaison for additional information.

D. CBO Contract Execution Process

1. Contracts

Short-form contracts, standard agreements, and all other agreements will require approval by the Board of Supervisors, the County Administrative Officer, or the Purchasing Agent depending upon a variety of factors, including the dollar amount of the contract, the type and nature of services, the commitment of county resources, insurance and indemnification requirements, etc.

- a. The contract is prepared by the department liaison, signed by the CBO, and forwarded to the appropriate county official for approval and execution.
- b. The completed contract will be sent to the supervising department and the Auditor-Controller's office, which will encumber the necessary funds.

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

- c. The supervising department will send a fully executed copy to the CBO.

2. Amendments

A variety of amendments to contracts may occur. Budgets may be amended, performance standards may change, or time frames extended. Following are examples of possible amendments:

- a. Term extension
- b. Increase in funding above originally approved amount
- c. Change in scope of services

Both the County and the CBO must agree upon amendments. The County's agreement requires the approval of the appropriate county official. This will ordinarily be the county official that has the authority to sign the contract as amended, i.e., the Board of Supervisors, County Administrative Officer, or Purchasing Agent, depending upon the dollar amount of the contract and other relevant factors. However, the original contract may authorize the department head to approve certain specified amendments in limited circumstances, in which case those amendments may be approved by the department head within the limits specified in the contract.

E. Termination of Contract

It is the Board of Supervisors policy that a contract may be terminated by the County without cause at any time upon giving at least thirty (30) days written notice prior to the effective date of such termination.

1. Type of occurrences

A contract could be terminated if any of the following occurs:

- a. Acts or omissions creating a significant danger to persons or property
- b. Illegal activities and/or mismanagement of funds
- c. Discovery of fraud in securing the contract
- d. Violation of health and safety codes
- e. Violation of Drug Free Workplace
- f. Reduction and/or elimination of revenue sources
- g. Any other breach of the contract not all explicitly stated above

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

2. Exceptions

- a. When an applicable State or Federal law or regulation specifically states a longer or shorter period of time
- b. When the revenue source for the contract(s) is terminated by the source with less than thirty (30) days notice to the County
- c. When there is good cause to terminate the contract with less than thirty (30) days notice, the County may request immediate termination of the contract. An example of good cause is the misuse or theft of public funds by a CBO or a CBO employee

In all these situations, except loss of revenue to the County, the supervising department must demonstrate that a good faith effort was made to resolve any problem(s) that resulted in the recommendation to terminate.

3. Procedures

- a. A letter initiating a request to terminate a contract may be prepared by the supervising department, the County Auditor-Controller, the County Administrative Officer, or the CBO and submitted to the Board of Supervisors or other county official that approved the contract.
- b. Written notice from the County department or the CBO requesting termination of a contract shall be transmitted to the other party at least two (2) weeks prior to the date the Board of Supervisors or other county official shall consider the request, unless a shorter period is approved by the County Administrative Officer due to the exigent circumstances.
- c. In cases where immediate termination is requested, the contractor shall be notified in writing with a personally delivered copy of the letter, requesting immediate termination.

III. PAYMENT METHODOLOGY

A. Invoicing

An invoice is the method used by a contractor to bill the County for services rendered and must include a signature from an authorized representative of the organization. The actual invoice format may vary by department. The supervising department will review and, if approved, submit the invoice together with the requirement documentation to the Auditor-Controller's office for payment. The contractor must comply with all of the terms of the executed contract in providing the contracted goods and services.

B. Reconciliations/Adjustments

It may be necessary during the contract period to adjust a contract budget or performance standard. Either the contractor or the supervising department may request an adjustment.

The supervising department may also request that a contractor provide reconciliation or match-up between actual and reported expenditures during the course of the contract.

C. Cash Advance Policy

The Board of Supervisors may grant a cash advance in accordance with Government Code Section 11019(c) to a community-based organization if the request has been evaluated and supported by the supervising department, the County Administrative Officer (CAO) and the County Auditor-Controller. A cash advance is limited to 10% of the annual value of the contract and will not accrue interest. Evidence of a critical financial need and of temporary inability to pay normal operating expenses must be present.

IV. Default Policy

A. Elements

A default may occur when the following happens:

1. Failure to provide required services
2. Failure to submit any required reports (invoice cost and supportive documentation report, program reports, etc.)
3. Failure to maintain records as required by the County and kept in

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

detail for professional review, audit by County or other State and Federal agencies

4. Lapse of required license to perform service(s)
5. Lapse of insurance
6. Any other breach of the contract not all explicitly stated above

B. Remedies

1. Withholding of monthly payments will be invoked if a default remains uncorrected after a 30-day notice to correct, unless another time-line is agreed to in writing by the supervising department.
2. In urgent or emergency situations (e.g., danger to persons or property; lapse of license or insurance, or both), the County may take immediate steps to address the default.

V. PROGRAM AND FISCAL REQUIREMENTS

A. Monitoring and Evaluation

It is the policy of the Board of Supervisors that each supervising department will conduct financial/compliance monitoring, evaluations, and technical assistance/site visits of each contractor. Supervising department staff, in consultation with other affected county departments, shall monitor the contractor's performance against the established goals and standards throughout the year, using appropriate tools such as:

- Periodic desk audits of documentation of costs and services submitted by the CBO
- Survey of internal controls used by the CBO through questionnaire
- Periodic site visits to review accounting and service records and internal control
- Formal program evaluation by program specialists

1. Contract Financial/Compliance Monitoring

- a. Contract compliance monitoring entails reviewing the contract together with other relevant records, which may include but are not limited to, the contractor's service delivery, personnel and financial records.

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

- b. The contract compliance monitor reviews service delivery, client, personnel and financial records in order to determine and confirm that services and fiscal accountability have been performed in accordance with the terms of the contract.

2. Technical Assistance/Site Visits

Scheduled, or on an as-needed/requested basis, consultation and assistance provided to the contractor by the supervising department may include, but is not limited to, such areas as:

- a. Interpretation of the provisions of the contract (exhibits, etc.)
- b. Invoicing procedures and reporting responsibilities
- c. Follow-up of monitoring reports to resolve problem areas in contract items, fiscal items, service levels, etc.
- d. Providing technical assistance to improve quality of service through consultants or county program staff
- e. Resolution of complaints
- f. Any other appropriate information and/or referral service

3. Evaluation

- a. The purpose of the evaluation is to assess and measure contractor performances, and assess program objectives and outcomes.
- b. The evaluation may include an assessment of both process and outcome.

4. Records Access

Each contractor shall ensure that the County and its representatives, and all relevant State and Federal agencies and their representatives, shall have access to all contractor records, facilities and personnel that are relevant to the contract, including but not limited to the performance of the services required or the contractor.

5. Dispute Resolution

Except to the extent that it is inconsistent with any provision in the contract, the following dispute resolution process shall be used: Any dispute arising regarding access to contractor records, facilities and personnel shall be decided by the County Administrative Officer who shall put his or her decision in writing to the contractor. The decision of the County Administrative Officer shall be final unless, within thirty (30) days from the date of the letter is mailed to the contractor, the

contractor files a written appeal with the Board of Supervisors. Any such written appeal shall detail the reasons for the appeal and contain copies of all documentation supporting contractor's position. The contractor shall be given an opportunity to be heard and offer evidence in support of its appeal at a regular Board meeting. The decision of the Board of Supervisors on the appeal shall be final for purposes of exhaustion of administrative remedies.

B. Inventory

1. Identification and Maintenance of County-owned property

With the exception of contracts that are solely fee-for-service contracts, and unless otherwise provided for in the contract, title to all personal property acquired by a contractor in whole or in part using county contract funds shall vest to the County.

2. Annual Inventory, County-Owned Property

- a. On or before May 31st of each year, every contractor shall provide the supervising department a complete listing of all county-owned property in the contractor's possession as of the close of business May 31st of that year. Such listing shall be in a form prescribed by the Auditor-Controller's office.
- b. The contractor shall notify the supervising department in writing within 30 days of any changes in the location or status of all county-owned property in the possession of the contractor.
- c. Property listed may only be removed from the inventory list if it is stolen, lost or transferred to salvage. Proof of the basis for removal will be required from the contractor (e.g., police report, letter from agency).
- d. Any contractor that is subject to State or Federal program regulations concerning ownership or inventorying shall report those requirements to the County as part of the contract application process. If a contract is approved, contractor shall abide by those regulations and so note on the inventory control forms.

C. Complaints

All written complaints received by the County regarding a contractor shall be referred to the supervising department for investigation. When appropriate, the supervising department shall send notice to the County

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

Administrative Officer, County Counsel, County Auditor-Controller, and other departments as necessary regarding any action taken.

D. Designated Representative

When a contractor's governing board has authorized a representative(s) to execute formal agreements, contracts and similar binding documents on behalf of the contractor, a copy of such authorization shall be provided to the County at or before the execution of such document.

E. Accident Reporting

1. If a death, personal injury or property damage occurs in connection with the performance of a contract, the contractor shall immediately notify the supervising department by telephone.
2. The contractor shall submit a written report within seven (7) days, in such form as may be required by the supervising department. This report must include, at a minimum, the following information:
 - a. The name and address of the injured or deceased person(s)
 - b. Whether any of the County's equipment, tools, materials or staff were involved in the accident
 - c. The name and address of the contractor's subcontractor, if any, that was involved in the accident
 - d. The name and address of the contractor's liability insurance carrier
 - e. The contractor's determination of what effect, if any, the accident will have on the contractor's ability to perform any of the services required by the contract
3. The supervising department will promptly notify the County Risk Manager and County Counsel if a death, serious personal injury or substantial property damage occurs in connection with the performance of contracted services.

F. Accounting/Auditing Standards

All community-based organizations that provide contract services to the County must comply with the financial and accounting/auditing standards prescribed by the external funding sources and those contained in the **Accounting Handbook for Community-Based Organizations** issued by the Yolo County Auditor-Controller.

VI. Appendix A - GLOSSARY OF TERMS

Agency/Department	The unit of government organized based on its program of function.
Audit	A formal examination of financial records performed by an independent certified public accountant or a government auditor for the purpose of rendering an opinion on the financial statements of contractor, evaluating the internal control structure of the contractor, and determining whether the program was administered in compliance with laws, regulations and contractual provisions.
Budget Modification	A budget change requested by the external funding source, contractor or supervising department.
Community-Based Organization (CBO)	Any organization that provides services to the community. Typically, CBOs receive one or more levels of government funding, funding from foundations, United Way or other private sources, as well as donations and fund raising. CBOs may or may not use professional staff (e.g., personnel who are required to meet licensing requirements), and may or may not charge for their services. Most CBOs are non-profit entities.
Budget	A document that discloses all funding sources for the contractor specifically involved in the County funded program. In some instances, it may involve all financial resources of the CBO regardless of the program-funded area.
Contract Amendment	A change to the original contract, services, terms, conditions, period, funding amount, or special conditions. A contract amendment

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

requires the formal approval of the Board of Supervisors, County Administrative Officer, or County Purchasing Agent (depending upon the type and dollar amount of the contract).

Contractor

A CBO that receives financial assistance through the County to provide services related to programs sponsored by the County, State or Federal government. The contractor may be a local government or a nonprofit entity. The relationship between the County and the contractor, as well as the program goals and the form of financial assistance, are defined in a contract between the County and the contractor.

Encumber

Reserve funds to fulfill commitments related to unperformed contracts for goods or services. Once a contract is fully executed, the County Auditor-Controller encumbers the funds necessary to satisfy the County obligations specified in the contract.

Executed Contract

The complete contract with all the exhibits that have been signed by authorized representatives of the contractor and the County.

Fee-for-Service Contract

Refers to a contract in which reimbursement of the claim is based on a predetermined fee per unit of service. The fee-for-service rate may be provisional (with end of year adjustment to actual costs) or absolute (no adjustment to actual costs).

Financial Evaluation

An examination, of lesser scope than an audit, performed by County staff to provide County management and the contractor reasonable assurance that the financial records and internal controls are adequate for audit

COUNTY OF YOLO
CONTRACT ADMINISTRATION MANUAL
FOR COMMUNITY-BASED ORGANIZATIONS

purposes and that the terms of the contract are being substantially complied with. Also referred to as a **Financial/Compliance Evaluation or Fiscal Monitoring**.

Insurance Waiver	A waiver granted by the County Risk Manager that removes or reduces a particular insurance requirement for a contractor.
Local Government	Any public entity within the State, other than a statewide entity, includes a county, city, township, local public authority, special district, school district or any other instrumentality of local government.
OMB Circulars	Policy directives issued by the U.S. Office of Management and Budget to the heads of Federal departments to carry out the mandates of laws. These are published in the <i>Federal Register</i> and are the source of many Federal regulations. All governmental agencies, including the County and its contractors, receiving Federal funds must comply with these circulars.
Short Form Contract	The short form contract is used when the conditions are not complex but require more details and standard provisions.
Standard Agreement	The standard agreement (standard long form contract) is used when the services are of a complex nature and other contract forms are used such as a State contract.
Supervising Department	The County department responsible for managing the contract between the CBO and the County.