



SUBJECT: CONTRACTING CRITERIA AND ASSESSMENT  
PROCESSES FOR PERSONNEL SERVICE  
AGENCIES

POLICY NO. 504

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PURPOSE: To describe the criteria and assessment process for utilizing Personnel Service Agreements/Contracts which address selection, review, and monitoring activities.

SCOPE: Public Health has overall processing, coordinating, reporting and monitoring responsibility for DHS grant funded projects. Public Health policy and procedures for grant funded projects are to be followed by all departmental budget units. Departmental budget units are each required to determine the corresponding sections to perform grant maintenance support responsibility as described below.

These guidelines apply to all existing and future Personnel Service Agreements/Contracts.

POLICY: It is the policy of the Department of Health Services to ensure that all factors are considered in determining the appropriateness and cost effectiveness of using Personnel Service Agreements/Contracts as a means of supporting the mission of the Department.

GUIDELINES:

I. IMPLEMENTATION OF ASSESSMENT PROCESS FOR NEW AND/OR ENHANCED GRANT FUNDED/NON-GRANT FUNDED PROPOSALS

When a grant application is filed with the State or federal government or enhanced grant funds received; or, when a non-grant proposal is developed, the Program Manager must determine the resource requirements (i.e., personnel) necessary to implement the proposed project.

A. The Program Manager will submit program resource requirements to the responsible Senior Executive Manager.

B. The responsible Senior Executive manager will validate the requirements and make a determination, based upon the following fundamental criteria:

1. Program requirements cannot be met through County processes (e.g., inability to recruit, there will be a disruption in program services).
2. The County cannot spend or maximize the grant funds within the time frames given by the grantor (e.g., untimely notification of funding by the grant agency, sudden increase in grant allocation, etc.).

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EFFECTIVE DATE: June 1, 2000

SUPERSEDES:

APPROVED: 

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- 3, Use of a Personnel Service Contract is Cost Effective - A standard cost effective methodology will be jointly developed and approved by the Auditor-Controller and the Department. The Department will use this standard approach to assess cost effectiveness to determine whether to contract with a personnel service agency or directly provide the services.

If it is determined that there is a need to use a Personnel Service Agreement/Contract, a request for approval will be made to the Director of Health Services. This determination may include an ongoing contract or a "bridge" contract for the period of time it takes the Department to bring these services into the County. "Bridge" contracts shall not exceed 90 days without written approval from the Director of Health Services. The responsible Senior Executive Manager must prepare a report of all facts and circumstances that necessitate a "bridge" contract in excess of 90 days prior to approval.

Any determination that program personnel requirements cannot be met through County processes, whether a "bridge" or on-going contract, will require the written approval by the Department's Chief of Human Resources.

Services and Supplies will be limited to those items necessary to support contract personnel. Any determination that services and supplies cannot be provided through County processes will require the approval of the Department's Chief of Facility Support Services.

Further, determination that a "bridge" contract is necessary will require the establishment of a detailed action plan for timely conversion to directly provided County services.

- C. The Director of Health Services reviews the responsible Senior Executive Managers' recommendation to use a Personnel Service Agreement/ Contract.

If approved, the Department's Chief of Human Resources will notify the appropriate employee labor groups.

- D. Upon deciding to use County processes to implement the program or after receiving the Director of Health Services' approval to use a Personnel Service Agreement/Contract, the responsible Senior Executive Manager will immediately:

1. Initiate steps to ensure that County systems are in place to expeditiously implement the project, or
2. Upon notification of the grant fund award or approval to use a Personnel Service Agreement/Contract, develop an appropriate contract, with the assistance of County Counsel, to implement the project.

II. SELECTION OF THE PERSONNEL SERVICE AGENCY

- A. All contracts will be competitively solicited utilizing the most expedient method available based upon the program's needs.
- B. Resolicitation must occur every three years for on-going contract programs.
- C. In the case of an Invitation for Bids (IFB), the selection of a contractor will be based upon the lowest responsible and responsive bid. In the case of a Request for Proposal (RFP) or Request for Concept Papers (RFCP), the selection will be made based upon the totality of factors, with weight given to the lowest cost proposed.

III. MONITORING THE PERSONNEL SERVICE AGENCY

- A. Comprehensive administrative, fiscal and program reviews will be performed on each Personnel Service Agreement/Contract on an annual basis. The Department's Contract Monitoring Office will review all current and future contracts as they are placed in service. In addition, a comprehensive monitoring instrument has been developed and will be utilized by the program office contract monitor. The responsible Senior Executive Manager will be required to provide bi-annual contract monitoring reports to the Director of Health Services.
- B. All grant expenditures must be submitted in detail to the appropriate Fiscal Administrative Office for review and approval.
- C. Any contracts that include funds for services and supplies will require detailed line items. Throughout the term of the contract, any variances to the line items will require approval by the responsible Senior Executive Manager.

AUTHORITY: Department of Health Services Policy Numbers:  
161 Patient Services Contracts, 11/25/75  
165 Contracting with Private Businesses to Perform County Services, 3/15/80

CROSS REFERENCE TABLE

<u>PH</u>	<u>OAPP</u>	<u>PHS/HSA/OMC</u>
Program Manager	Contract Manager	(To be designated)
Program Office	Contracts & Grants	(To be designated)
Grant Monitoring Section	Finance	(To be designated)
DHS Contracts and Grants Division	Contracts & Grants	DHS Contracts and Grants Division
PH Finance Section	Finance	(To be designated)