

STATE OF VERMONT Agency of Human Services (AHS)		
Contracts for Services	REVISION HISTORY: 8/92 10/5/09 09/11/12 1/3/17	Chapter/Number 1.08
	EFFECTIVE DATE: 1/3/2017	Attachments/Related Documents:
Authorizing Signature: <u>Paul Dragan</u> Hal Cohen, Secretary, Agency of Human Services		Date Signed: <u>1-3-17</u>

PURPOSE:

This policy sets forth uniform procedures for the development, processing and review of all Agency of Human Services (AHS) contracts.

BACKGROUND:

The first AHS Bulletin on contract development procedures was issued in May of 1974. Since then the number and complexity of contract issues, as well as total funds committed through contracting, have grown significantly. It is essential that mechanisms exist to enable managers flexibly to develop contracts needed to achieve unique program objectives. Contract development should in all cases aim to avoid duplication of effort, maximize the use of available resources, and assure quality delivery of products, supports and services.

STANDARDS:

This policy requires that:

1. All contracts be entered into consistent with Agency of Administration Bulletin No. 3.5 and with the procedures outlined below. For purposes of this policy, a contract is a written agreement between an authorized agent of the State, a potential service provider that covers the delivery of services to agency clients, employees or programs as described in Agency of Administration Bulletin No. 3.5 (dated July 1, 2016).
2. Contracts be bid whenever possible. An exception may be made during an emergency or if the bidding process would be injurious to the interests of the State, as permitted under Bulletin 3.5;
3. Contracts involving information technology, data transfers, web applications, and access to state equipment be approved by the AHS's Chief Information Officer (or designee);
4. Required reviews within AHS, or by the Agency of Administration and the Office of the Attorney General, be promptly initiated so as to enable the effective and timely provision of goods, services and supports in accordance with program needs.

CONTRACT MANAGEMENT and GOVERNANCE:

All contracts for service between any organizational unit attached to or part of the Agency of Human Services must be reviewed and approved by the Office of the Secretary. The Chief Financial Officer (CFO) of AHS shall be the contract manager for the Secretary's Office, unless otherwise designated. The CFO, or a designee of the CFO, shall be responsible for reviewing and approving, before execution, **all**

contracts proposed to be entered into between a contractor and AHS or any Department or other AHS business unit, for compliance with all State and Agency procedures and legal requirements.

Each Department, through its Commissioner, shall appoint a contract manager who shall have overall responsibility for contract activity within each Department. The Secretary shall be advised of the identity of the Department contract manager. The contract manager shall be responsible for monitoring the contract process and ensuring compliance with all AHS, Attorney General's Office, Agency of Administration processes and policies and with all State of Vermont legal requirements relating to the execution of contracts. A Commissioner and the Department contract manager may delegate specific provisions of contract implementation, review and monitoring to other individuals, but overall contract accountability for compliance with this policy rests with each Commissioner.

The Secretary and the Deputy Secretary of the Agency are authorized to enter into all contracts. A Commissioner or Deputy Commissioner may also execute and enter into contracts for their Departments, however, where Agency of Administration approval is required, the Secretary or the Deputy Secretary of AHS must approve the contract and sign the required AA-14.

CONTRACTING PROCESSES:

1. Upon negotiation of all terms necessary to any contract, and after review and approval by the Commissioner, Departments shall obtain any necessary review by the Attorney General's Office (AGO). All contracts in excess of \$24,999 will be submitted to the AGO for approval "as to form" prior to its submission to the Secretary's office. Such approval is required when the total dollars obligated to a single provider by an individual department will exceed \$25,000 during a fiscal year. Accordingly, if two contracts are written with the same provider, each totaling \$15,000, a Department must obtain formal AGO contract review processes **for each agreement** since the total anticipated obligation for the year will exceed \$25,000. Contract documents must follow the format detailed in Agency of Administration Bulletin 3.5, revised July 1, 2016: <http://aoa.vermont.gov/bulletins/3point5>. Departments are expected to use all the Standard templates that are published by the Office of Purchasing and Contracting: <http://www.bgs.vermont.gov/purchasing-contracting/forms>
2. Standard State of Vermont Attachment C and Standard AHS Attachment F must be incorporated in each contract without modification. Any proposed change to Attachment C and F must be made and approved through a proposed Attachment D. A standard Business Associate Agreement (Attachment E) may be required as part of the contract along with an Attachment G, containing language that applies to specific academic institutions and agreed with the University of Vermont.
3. Contracts less than \$25,000 may be prepared using the Short Form Contract Template bearing a pre-approved shortened Attachment C.
4. After AGO approval, or in cases not requiring AGO review, the Department shall forward the proposed contract, reviewed and approved by the Commissioner, to the Secretary, through the CFO, for review and approval. **All contracts**, no matter their dollar value, will be submitted to the Office of the Secretary for review and approval.
5. For contracts initiating within the Secretary's Office, the manager responsible for the contract shall likewise submit the contract for review by the CFO before submission to the Secretary or Deputy Secretary for execution.

6. The Secretary, through the CFO or designee, shall have overall responsibility for individual Department compliance with policy and the CFO or designee shall have authority to require a Department or business unit within the Office of the Secretary to revise, modify, or temporarily cease the development of an individual contract which is determined to be out of compliance with AHS policy, or with Agency of Administration Bulletin No. 3.5.
7. All sole source justification memoranda requiring approval by the Secretary of Administration must be approved by the Secretary of AHS prior to submission to AOA.
8. No work may be performed under a proposed contractual arrangement before a contract is executed receiving all necessary approvals detailed in this policy. When, in an emergency or due to other unforeseen situation, it is necessary to authorize service prior to receiving the Secretary's approval, a memorandum requesting retroactive approval of a contract or contract amendment must be submitted immediately to the Secretary.
9. The AHS CFO, or designated staff member, shall work directly with the Commissioner, or the department contract manager, as part of this Secretary's Office review process. Factors to be considered during the review may include AHS and departmental objectives, fiscal and program integrity, and opportunities for interdepartmental sharing of resources.
10. The Secretary, or a designated staff member working with the AHS CFO, shall notify contract managers and their staff within the agency on all updates in agency requirements, attachments, and other items and post updated and new materials on the agency website:
<https://vermontgov.sharepoint.com/sites/AHSIntra/Operations/Acquisition/Components/Forms/AllItems.aspx>
11. AHS may from time to time seek to enter into a pre-approved vendor relationship with a contractor or contractors under a statement of work permitting the performance of services up to \$100,000. Once a contractor is approved, the statement of work must be attached to the accompanying AA-14 for signature and review by the AGO assistant attorney general and the Commissioner or Deputy Commissioner. For such arrangements involving Information Technology services or supports, the statement of work and AA-14 must also be approved by the AHS Chief Information Officer. The Secretary must review and give AHS approval to proceed with the scope of work for the project before work is requested from the vendor.
12. Contracting Waiver Plans. Any proposed Contracting Waiver Plans must be submitted to the Office of the Secretary for review and approval before submission to the Agency of Administration.

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Agency of Human Services Contract Policy 1.08 – Review and Approval Quick Reference Guide

Please note that this is a quick reference guide to the approvals required for AHS Policy 1.08. State of Vermont Bulletin 3.5 has a Quick Reference Guide that is based on the requirements of Bulletin 3.5.

Type of Agreement	Required Signatures					
	Dept. Comm. or Dep. Comm.	Assistant Attorney General	AHS Chief Information Officer	Secretary Designated Staff Member	AHS Secretary or Deputy Secretary	
All Contracts	✓			✓		
All Contracts and Amendments that are Information Technology related	✓	Only if they Exceed \$24,999	✓	✓		
Sole Source Contracts under \$10k	✓			✓		
Sole source contracts \$10k and Greater	✓	Only if they Exceed \$24,999		✓	✓	
Simplified bids up to \$100,000	✓	Only if they Exceed \$24,999		✓		
Simplified Bids Exceeding \$100k	✓	✓		✓	✓	
RFP Contracts up to \$250,000	✓	Only if they Exceed \$24,999		✓	✓	
RFP Contracts Exceeding \$250,000	✓	✓		✓	✓	
Zero Dollar Contracts	✓	✓		✓	✓	
Data Usage and Data Sharing Contracts	✓	✓	✓	✓	✓	
Contracts including a Change Order Process	✓	✓		✓	✓	
Sole Source Amendments Under \$100k	✓	(Only if there is a change in Scope)		✓	(Only if there is a change in Scope)	
Sole Source Amendment over \$100k	✓	✓		✓	✓	
RFP or simplified Bid contracts where cumulative effect of Amendment is 25% or more	✓	✓ (Not required when amend. is only to extend duration and increase the max amount as contemplated under terms of original contract)		✓	✓ (Not required when amend. is only to extend duration and increase the max amount as contemplated under terms of original contract)	