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Department of Children and Families Service Re-procurement Plan April 2008 Rev. June 2008

Purpose

The purpose of this plan is to structure the DCF human services procurement process to allow the Department to purchase quality and cost-effective services for clients from private providers in a standardized, open, transparent and fair manner.

Current Structure and Contracting Process

The Department of Children and Families contracts with community based human service providers for 90 different programs, referred to as services types. These programs' structures and standards are managed through Bureaus, including Behavioral Health and Medicine, Child Welfare, Adolescent and Transitional Services, Juvenile Services, and Prevention. The staffs of these bureaus have experience in the design and delivery of services to children and families and are knowledgeable regarding the populations' needs.

When needs are identified, requiring a new service or a re-design of an existing service type, the staff of the bureau of cognizance reviews the needs and existing resources. If the client needs can be met with small changes in existing contracted services, DCF will request OPM approval for amendments to those contracts. This process is used for minor program model changes or to add additional funds when available to increase capacity. When the plan is to amend existing contracts, the current providers are contacted to discuss the proposed changes.

If a significant change in program model or a new service is required, a competitive bidding process is conducted jointly by the responsible Bureau, the Contract Management Division and representatives from the DCF Area Offices. In this case, contact with providers regarding service design may be limited by the requirement of the competitive bidding process.

DCF currently has consolidated three-year contracts with 178 service providers for 601 individual programs, meaning most contractors provide more than one service type. The consolidated contract contains a Scope of Service document for each service but has only one budget document with a column for each service. If a provider successfully bids to provide a new service, their existing contract is amended, adding the new Scope of Service and a new column to the budget. The term of the new service runs concurrently with the term of their contract. For example, ABCD Agency is contracted for provide Outpatient Psychiatric Services, Emergency Mobile Psychiatric Services (EMPS), Extended Day Treatment and Positive Youth Development for the term of July 1, 2006 through June 30, 2009. In Fall 07 they are awarded the contract for Integrated Family Violence Services, which will be added to their contract from December 1, 2007 to June 30, 2009. In Spring 08, the EMPS program is put out to bid after a re-design

process. ABCD and all other EMPS providers are notified that the service re-design is taking place and that they will be notified individually ninety days in advance that their contract for the current service will end on a certain date. If ABCD is the successful bidder for the new service, their contract will be amended, removing the old model and adding that service through June 30, 2009. The effect of the three year contract is limited by the cyclical re-procurement process.

A consolidated contract allows DCF to easily view the allocation of funds across programs, in particular the use of one staff person in one or more programs. The expiration and renewal process every three years provides the opportunity to receive input on program quality from DCF staff that are most familiar with the agencies' services and to ensure that all statutory requirements are met with current documents, such as updated Affirmative Action plans, 990's, annual reports, etc.

DCF is aware that the consolidated contracts and complexity of funding mixes for most providers raise many issues. Many providers work with two or more Bureaus within DCF; RFP's issued from two bureaus in close time proximity can limit the number of appropriate responses received. Some programs are funded by one or more other State agencies, and both funding streams are required to run a financially viable program. In addition, some providers receive direct Federal and/or private funding to support services that are only partially funded by their DCF contracts. In these instances, providers must submit successful proposals to sustain both the DCF funding and the other state or outside funding.

Planning Process and Factors Considered

The Department manages most of its service types through the Bureau structure. Services that are specific to the 14 area offices are managed through those offices. In 2005, the Commissioner convened a group to review the agency's resource allocation and to standardize basic resource requirements for area offices. This group, comprised of Bureau Chiefs, Deputy Commissioners, and Contract Management, identified nine major categories of service that should be available in each area. The distribution of current services and methods for assessing relative need were also reviewed. The functions of that group have been assumed by the Commissioner's Executive Management Team. The Team considers matching services to the level of need and the equity of service distribution across area offices, if new or re-designed services are to be procured.

The Executive Management Team is overseeing the Department's re-procurement plan and process. The Department will continue to conduct procurements based on services types, as opposed to geographic areas. To develop the plan, the following information was compiled for all contracted service types:

- Bureau responsible
- Date of last bid, when known
- Total amount of funding
- Total number of contractors for each service type.

Each Bureau was provided this information to use a basis for developing a priority list of service types for re-bidding. In addition to that information, the following list of factors was considered:

- Expected impact on clients currently receiving services
- Appropriateness of the current service model for the current population
- Licensing or CON Waiver implications
- Zoning/siting implications
- Bonding issues
- Service demand implications for other funded services
- Start-up costs that may exceed current funding available
- Implications for other state agencies
- Effect on multiple funding sources, e.g. Federal Grants., within DCF and/or other external funding garnered by providers, e.g., United Way, town allocations, etc.

Each Bureau produced an estimated time for rebidding each service within the next five years, with the understanding that recently bid services would fall at the end of that time period. The Bureau was also asked to suggest a frequency for re-procuring or if in light of the factors above, a request to waive the requirement to bid should be sought. The time table for re-bidding was compiled with some adjustment to planned dates to avoid clustering the issuance of RFPs in a short period of time.

Requests for Waivers

The Department intends to request waivers on re-bidding for programs that fit one or more of these criteria:

- significant start-up or bonding funding has been invested
- siting the program in the community delayed service delivery and will likely do so again if the provider is changed
- the services provided are evidence based, requiring specialized training for staff and quality assurance from model developers
- grant support represents a small percentage of the funding for service type that is primarily supported by FFS payment

The Department will monitor service quality and the level of need for any service for which a waiver is granted. Services will be put out for re-bid for specific areas as needed or if re-design is necessary to meet client needs.

Oversight

After the plan receives OPM approval, it will be maintained and updated through the Division of Contract Management with periodic review by the Department's Executive Management Team. The updated plan will be submitted to OPM annually or if a significant change in the plan is desired. All procurements conducted by the Department will adhere to the standards for procuring human services developed by OPM.

Additional considerations

Provider assistance with service design The Department's goal is to include existing service providers in the re-design of programs to the greatest extent possible. Various methods will be used to accomplish this goal, including issuing Requests for Information, convening ad hoc groups of providers of specific service types and working with the trade associations. (See Communications with Providers, below)

Workload Issues: The increased frequency of procurements requires additional staff time from the Contract Management unit, the Bureaus with programmatic responsibility and the Area Offices. The Department has issued 97 RFPs over the last three years; of those, 68 were for human services contracts. Although many of the 66 re-procurements planned for the next 3 years may have occurred regardless of the re-procurement plan, volume will likely increase by at least 30%. Additional staffing or re-assignment of duties may be required.

The two Bureaus responsible for 80% of the contracted services, Child Welfare and Behavioral Health and Medicine, are each engaged in major program redesign efforts. Area Office Directors and Behavioral Health managers will also need to have input on service type re-design and procurement. Ensuring the best quality service definition may result in re-scheduling some planned re-procurement dates.

Communications with Providers

This plan and the procurement timetable will be distributed to provider trade associations, DCF constituent groups and will be posted and maintained on the agency Internet site. The Department will send an announcement of intent to issue an RFP to existing service providers at least three 3 months prior to the planned posting date, as well as to stakeholders such as advisory groups, legislators, trade associations, CT BHP and other state agencies. The announcements will include requests for input on program design and outcomes. The Department uses logic models as program design tools and may distribute early drafts of logic models as one method of soliciting provider input. For major programs with statewide impact, a Request for Information will be posted on the DAS website at least 6 months prior to the development of a Request for Proposals. Communication and provider participation strategies will be reviewed with input from the Operations Work Group, which meets bi-monthly and includes representatives from three trade associations and DCF contract and fiscal staff.

Implementation

To facilitate the participation of Bureau and Area Office staff, the Contract Management unit has updated its RFP manual for Bureau and Area Office staff and provides template documents on the Intranet. Additional training will be provided to managers as requested. The Bureaus will be asked to review the plan periodically and given the opportunity to request changes in bidding dates. If a planned bidding date is missed, the re-scheduling must take into account all the factors above as well as the other planned procurements. At the end of the first year of the plan and annually thereafter, Contract Management will conduct an audit of the procurements completed, noting any problems and recommending improvements to the process.

