

ODHS Policy Option Package (POP) Form

2025-27 Agency Request Budget

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| Program(s) / Unit(s) | Child Welfare Contracts |
| POP Title | 106 - Child Welfare Division Contract Administration Program |
| Related Legislation | |
| Summary Statement (5 to 7 sentences) | <p>With 24 percent of its budget allocated to contracts serving thousands of Oregonians, contract oversight is a critical component of the Child Welfare Division's work. Through effective oversight, Child Welfare ensures high service quality, client safety and responsible stewardship of public funds. Multiple audit findings as well as a recent Child Welfare After Action Report have identified significant deficits in the division's contract oversight practices.</p> <p>Recommendations include centralization of contract oversight duties, dedicated positions, clear performance standards, and stronger training and guidance for contract administrators. This policy option package proposes a staffing investment that would allow Child Welfare to develop a centralized Contract Administration Program aligned with audit recommendations and other expert guidance, providing a standardized contract oversight framework, training and continuous quality improvement (CQI), as well as centralized administration of 250 of the division's highest risk contracts. Without this investment, Child Welfare will lack the capacity for contract oversight, potentially leading to more challenges like the ones that sparked recent media inquiries and audits into Child Welfare contracting practices.</p> |

| | General Fund | Other Funds | Federal Funds | Total Funds | Pos. | FTE |
|-------------------------------|--------------|-------------|---------------|-------------|------|-------|
| Policy package pricing | \$1,902,083 | \$0 | \$815,174 | \$2,717,257 | 15 | 10.85 |

ODHS 2025 POP Long Form

Part 1. SETTING THE STAGE

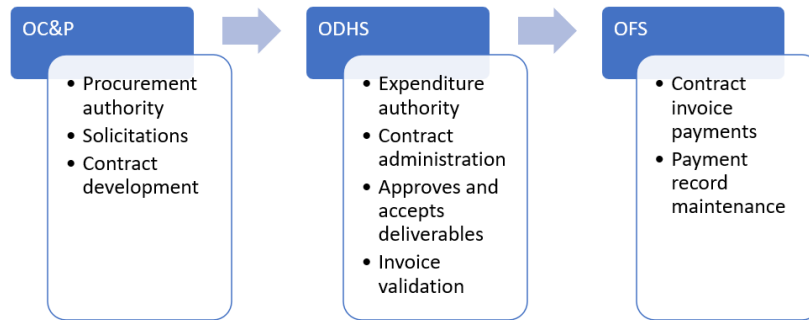
1. Briefly describe the **core value(s)** driving this POP. In the big picture, why does it matter?

Every family deserves reliable access to equitable, effective, and safe services that support their children's need to experience safe, stable, healthy lives and grow up in the care of their loving family and community. The Child Welfare Division contracts with community partners to provide services that support families and communities in myriad ways, from enhancing parenting skills to helping people with their housing needs and employment goals. With approximately 24 percent of its budget allocated to contracts serving thousands of Oregonians, contract oversight infrastructure is critical to the division's ability to ensure high service quality, client safety, and good stewardship of public funds.

2. Describe the **problem/s or opportunity/ies** this proposal would address.

ODHS contracting activities are collaboratively handled by the Office of Contracts & Procurement (OC&P), ODHS programs and the Office of Financial Services (OFS). OC&P has procurement authority to conduct activities such as contract solicitation, development, and award. ODHS programs have expenditure authority, and are responsible for contract initiation, contract administration and invoice validation. OFS

processes contract invoice payments and maintains payment records.



The Child Welfare Division’s contract administration duties are currently carved out of existing positions, with most contract administrators reporting at least one additional full-time job duty in addition to their job as contract administrator (2). The division lacks positions dedicated to contract administration, and as a result contracts are often administered by staff who have competing work priorities and who may not have the skills or experience this important work requires.

The Child Welfare Division utilizes about 24 percent of its funding, through approximately 600 contracts with community partners, to provide services that support families in myriad ways, including enhancing parenting skills and ensuring child safety and family well-being. Division contract administrators are responsible for ensuring contractors meet the terms of the contract, including monitoring contract requirements such as background checks, staff qualifications and training requirements, ensuring deliverables are received prior to payment, monitoring expenditures and utilization of the contract, managing compliance issues, completing corrective actions, and initiating amendments requests.

Multiple audits have identified significant deficits in contract oversight, with concerns ranging from inconsistent background checks to insufficient financial controls. Lack of data on contracted service outcomes and service efficacy has also been raised as a concern, as well as the lack of culturally specific and responsive services available to families.

3. What **data** tells you that this problem/opportunity exists? Please be specific and provide data sources.

Data related to lack of adequate contract oversight has been provided by OC&P as well as through internal and external audit findings. Audit citations are referenced in #4.

- **Millions of dollars are spent each biennium on unutilized contracted services capacity due to lack of adequate contract administration.** Audit 20-001 reviewed two sample ODHS contracts with fixed monthly payments that

collectively paid \$1.9 million for unutilized contracted services capacity when the vendor performed at a service level significantly below the contractual requirements. The Child Welfare Division has become aware of similar situations in which contractors are being paid tens of thousands of dollars each month for unutilized contracted service capacity without adequate monitoring.

- **Background checks are not adequately monitored**, with 35 percent of contract administrators reporting that they do not use any verification process to monitor contractor background checks (2).
- **Deficits in contract administration have resulted in 82 contract ratifications, reinstatements, cost overruns so far this biennium** (since July 2023) resulting in increased OC&P processing time, gaps in services that impact families and community partners. (Data from OC&P)
- **Performance evaluations are not conducted for most contracts. 60 percent of contract administrators report that contractor performance evaluations are not performed on their contracts**, 68 percent identified the need for guidance and a standardized process for performance evaluations (2).
- **At least 82 percent of contract administrators report having at least one additional full-time job duty** in addition to their job as contract administrator. (Audit 20-001 + informal internal survey findings). Of current central office/design contract administrators, 55 percent are program managers with many competing work priorities.
- **Rates vary widely for the same or similar services.** Audit 20-001 found rates for the same or similar services ranging \$1,737 to \$5,401 per client. In another instance rates ranged from \$549 to \$1,367 per client.

4. Is this POP, in whole or in part, a response to an **audit**? Explain.

Yes. Since 2017, five internal and external audits have identified concerns, some specific to the Child Welfare Division and others ODHS/OHA. All five audits identified significant deficits in the Child Welfare Division's contract oversight ranging from inconsistent background checks to insufficient financial controls. These audits mirror concerns that have been expressed by Child Welfare contract administrators, managers, and the Office of Contracts & Procurement, as well the recent After-Action Report completed by the Office of Resilience and Emergency Management.

Internal and external audits have identified concerns related to the lack of central oversight of contract administration, lack of clear performance standards for contract administrators and limited quality control and have recommended centralization of contract oversight duties, dedicated positions, and clear performance management guidelines for contract administrators (2, 3, 4).

Audits have also identified concerns related to the lack of outcome measures included in contracts, limiting the Division's ability to gauge the effectiveness of contracted service and manage performance (2). Audits have noted that performance evaluations are not conducted regularly and the need for better data to evaluate and allocate services (3).

Audits have identified a lack of culturally appropriate services available and the need to improve equity considerations and methods to increase contracting with small and minority organizations (1, 3).

1. *Joint ODHS/OHA Audit Committee. Audit 21-013: ODHS Field-Based Contracting Practices* 10/31/22.
 2. *ODHS/OHA Internal Audit and Consulting. Audit 20-001: ODHS Contract Development, Administration, and Oversight Practices.* June 2021, amended October 2021.
 3. *SOS Oregon Audits Division Report 2020-26: Oregon Can More Effectively Use Family Services to Limit Foster Care and Keep Children Safe at Home.* June 2020.
 4. *SOS Oregon Audits Division Report 2018-11: Statewide Single Audit for Fiscal Year Ended June 30, 2017.* April 2018.
 5. *DHS Internal Audit and Consulting Audit 15-001-02: DHS Child Welfare Contract Administration.* April 2018.
5. What has already been done to address or mitigate the problem/opportunity?

In 2015 new procurement and contract administration training requirements were written into law (ORS 279A.159) with the passage of HB2375. Mandatory training for contract administrators was developed by DAS providing high level expectations for contract administration. OC&P has developed training and tools for contract administrators (Roles and Responsibilities Matrix, Contract Administration Plan) and recently began a series of monthly presentations for contract administrators. While these improvement efforts are notable, they have been limited in creating meaningful improvements. OC&P's role is primarily to ensure contract development is performed in a manner that complies with procurement rules and regulations, with contract administration responsibilities lying within programs. As such, the training and tools developed by OC&P are broadly focused to apply to any and all ODHS/OHA contracts and as such have limited utility in terms of improving contract oversight.

The Child Welfare Division has made efforts in recent years, including a workgroup to develop a Contract Consistency Proposal (2017) that included program staff, central office contract consultants, OC&P and OFS. Prior proposals have not been fully implemented due to lack of staff resources to develop and sustain stronger systems.

Currently, the division has a small contract support team with three consultants devoted to providing guidance and support to the contract administrators. Due to the size of this

team and the number of contract administrators (50-60) and contracts (600+), the team's ability to provide the guidance and support contract administrators need has been limited. Quarterly meetings are held with district contract administrators to provide updated guidance and support and the team is developing a desk guide that includes best practices for contract administrators. The team also tracks contract requests and enters contract data into the division's case management and payment system (OR-KIDS), but due to capacity the team does not thoroughly review contract requests or final contracts prior to execution.

The division is currently engaged in a project in collaboration with the Director's Office and OC&P to develop performance standards and clear guidance for contract administrators. It includes an assessment tool that can be utilized to evaluate adherence to performance measures, and onboarding practices for contract administrators and managers. Ongoing utilization of the assessment tool and onboarding and training practices will require additional staff resources. Likewise, the effective application of the newly developed standards is dependent on adequate Delivery and Design contract administrator staffing.

6. What are the **risks** if the problem/opportunity is not addressed?

Lack of contract oversight creates risks to the safety and well-being of children and families, legal and reputational risks to the Child Welfare Division and to the state, as well as risks of overpayment and budgetary waste.

Inadequate infrastructure results in inconsistent monitoring of key contract requirements such as background checks, incident reports, transportation requirements and contractor staff qualifications and training. These deficits leave children and families at risk of harm due to lack of capacity to perform these important monitoring activities in a thorough and uniform way. ODHS faces legal and reputational risks when requirements designed to ensure client safety are not monitored.

Internal audits of the division's contracts have highlighted concerns about budgetary waste, including lack of rate consistency, deficiencies in cost monitoring, and lack of coordination between districts contracting with the same providers. Audits have identified millions of dollars spent on unutilized contracted services as well as rates for similar services that vary widely.

Lack of a performance-based contracting structure provides low contractor accountability as well as insufficient service efficacy data, risking the expenditure of funds on services that do not meaningfully support the division's mission. Additionally, current contracting practices do not prioritize culturally-specific and responsive services, resulting in the risk of investment of funds into services misaligned with ODHS' vision of dismantling racial disparities in Child Welfare.

7. What **solution** are you proposing through this policy option package (POP)?

This POP proposes the development of a Contract Administration Program to centralize contract oversight duties and implement a standardized contract oversight framework to be utilized statewide to administer all child welfare contracts. The program consists of two major components:

a) Operations, Training and Continuous Quality Improvement

Through close collaboration with OC&P, OFS, BCU, DAS and other experts, this team will be responsible for the development and maintenance of a standardized contract oversight framework to include performance standards, onboarding and training, as well as ongoing assessments/audits of performance standards. This team will provide onboarding and training for all Child Welfare contract administrators, review all contract requests and contracts prior to execution, design, develop and improve equitable contract practices including consistent contract performance metrics tied to key performance measures.

b) Contract Administration

Two teams of contract administrators will utilize the standardized contract oversight framework to administer most Child Welfare client service contracts (about 70 percent, or 250 contracts). Contract administrators with the skills and experience to provide high-level contract administration will be recruited, with onboarding and training provided by the Operations, Training and Continuous Improvement Team.

**Treatment Service contracts are not included in this percentage and will continue to be administered by the Treatment Services Program.*

Note: The remaining client service contracts (~100 contracts) and the non-client service contracts (~160 contracts) will continue to be monitored by staff in designated program areas utilizing the standardized contract oversight framework, with onboarding and ongoing training/support from the Operations, Training and CQI Team.

8. What **alternative solutions** were considered and what were the reasons for selecting your solution?

The Division has identified two root causes interacting to create an environment of insufficient contract oversight: 1) lack of clear guidance and expectations for contract administrators and 2) lack of staff resources.

Building a centralized team that provides strong onboarding, training, and support to contract administrators without designated centralized contract administration positions has been considered (and is detailed in Part 6. Plan B), however this solution would only address one of the root causes identified by the Division (lack of clear expectations/guidance for contract administrators) and would not provide dedicated staff resources needed to provide strong contract oversight.

9. Has the proposed solution been successful in **other contexts or jurisdictions**? Alternatively, if there is no precedent, explain why you believe this concept will achieve its aims here in Oregon.

The Child Welfare Treatment Services Program is being used as a model for this POP. The Treatment Services Program includes a team of program analysts who administer roughly 70 contracts with programs that provide proctor foster care or residential treatment through Behavior Rehabilitation Services (BRS), Qualified Residential Treatment Programs (QRTPs), community shelter care as well as placement preservation services. The Treatment Services Program has developed a standardized model for administering these contracts and provides extensive onboarding and support to the contract administrators in this program. The Treatment Services Program's contract administration program has been effective, and many aspects of this proposal are based on the success of this program.

Oregon Youth Authority utilizes a similar model to administer their placement contracts, with centralized staff administering contracts using a standardized system including regular reviews, and consistent tools and resources.

In both models, identified strengths include management by leaders with procurement experience and expertise, and the benefits of a centralized team of staff to provide support and collective problem-solving.

10. Does this POP require a **new statute or changes to existing statute(s)**? If so, have you completed the Legislative Concept request form for statutory changes?

This POP does not require a new statute or changes to existing statutes.

Part 2. EQUITY AND INCLUSIVITY

1. How will this POP **address inequities** faced by impacted communities?

Audits have identified a lack of culturally specific and responsive services within Oregon's Child Welfare Division, which research indicates can impact engagement and participation in services and increase racial disparities. A recent study commissioned by

DAS found substantial barriers within Oregon’s contracting system for businesses run by people of color, women and service-disabled veterans.

Implementing this program will include the development of practices designed to equitably solicit contracted service, address structural barriers for minority owned businesses, and increase contracted services provided by community-based organizations guided through engagement efforts intended to increase shared power with communities ODHS serves.

Part 3. MEASURING PERFORMANCE

1. Which of your **key performance measures (KPMs)** is this POP connected to?
 - KPM #5 Timely Reunification of Foster Children
 - KPM #7 Reduction of Race/Ethnicity Disparities in Lengths of Stay
 - KPM#8 Children Served by Child Welfare Residing in Parental Home
 - KPM#22 Reduction of Disproportionality of Children at Entry Into Substitute Care

2. If none, are you proposing a **new or modified KPM?**

N/A

3. How will the work you’re proposing help ODHS meet or exceed the **KPM targets?**

Contracted services are provided to families throughout involvement with child welfare, and as such impact multiple key performance measures. Building a Contract Administration Program will provide the framework needed to enhance and diversify the Division’s service array, improve service quality and provide service efficacy data that can be tied to key performance measures.

- **KPM #5 Timely Reunification of Foster Children**
Developing a Contract Administration Program will increase availability of high quality, effective, culturally specific and responsive services designed to increase family engagement and support timely reunification.
- **KPM #8 Children Served by Child Welfare Residing in Parental Home**
Supportive evidence-based services are a key component of the Family Preservation approach. Developing a Contract Administration Program will increase the availability of high quality, effective, culturally specific and responsive services designed to support stabilization of families and prevent the need for children to reside outside of the parental home.
- **KPM #22 Reduction of Disproportionality of Children at Entry Into Substitute Care**

Research suggests that culturally specific and responsive services increase engagement and participation in services and reduce racial disparities within child welfare. Developing a Contract Administration Program will increase the availability of high quality, effective, culturally specific and responsive services designed to support families disproportionately impacted by child welfare.

4. What are the envisioned **outputs** of this POP?

Consider activities you will be able to count in actual numbers: partners engaged, clients served, regions served, applications processed, staff trainings conducted, referrals made, transitions completed, families participating, etc.

The main output would be a centralized contract oversight framework utilized by all Child Welfare Division contract administrators, with training and oversight provided by leaders with procurement experience and expertise. This includes:

- Clear performance standards for all aspects of contract oversight from contract request to close out, including client safety standards such as monitoring background checks, as well as monitoring of expenditures and utilization and expectations for timely adjustments when requirements are not met.
- Ongoing liaising with OC&P and DOJ to ensure contracts are legally sufficient and aligned with procurement code.
- Ongoing assessment/auditing of contract administration performance to provide data (e.g. during this quarter X percent of contract administrators met the standard for monitoring background checks).
- Standardized contract outcome measures to increase service efficacy data tied to meaningful outcomes (e.g. X percent of families who engaged in this service continued to have children remain in the parental home for the length of the service).
- Onboarding and training processes required for all child welfare contract administrators and managers.
- Continuous Quality Improvement system includes focus on practices designed to equitably solicit contracted services, address structural barriers for minority owned business and increase availability of culturally specific and responsive services.

5. **Outcomes** show how people are better off because of the outputs you listed above. What are your expected outcomes?

Consider measurable effects like improved service navigability, reduced racial disparities within programs, expanded access to needed services among key populations, improved transition rates, etc.

Expected outcomes include:

- Increased safety and wellbeing of children receiving contracted services, measurable through ongoing assessment/auditing of contract administration

performance measures related to monitoring of client safety contract requirements (background checks, transportation checks, incident reports, staff qualifications/training).

- Reduced risk of overpayment, measurable through ongoing assessment/auditing of contract administration performance measures related to monitoring expenditures and utilization and timely adjustments when capacity requirements are not met.
- Increased availability of culturally specific and culturally responsive services.
- Contracted services spending better aligned with the Child Welfare Division's Vision for Transformation.

6. How will you **collect the data** you need to measure the success of this solution? Is this data currently being collected? Have you engaged ORRAI to discuss elements needed to plan for data gathering?

Data to measure success will be collected through two primary methods:

1. *Child Welfare Contracting Standards Assessment/Audits*

The Child Welfare Division is currently engaged in a project in collaboration with the Director's Office and the Office of Contracts & Procurement to develop performance standards and clear guidance for contract administrators, as well as an assessment tool utilized to evaluate application of performance standards. If this POP is funded, the Division would have the staffing resources need to utilize this assessment tool to provide ongoing data on the application of performance standards. ORRAI will be engaged to discuss elements needed to plan for ongoing data gathering and reporting.

2. *Standardized Contract Outcome Measures*

If this POP is funded, the Child Welfare Division would have the staffing resources needed to develop and implement consistent outcome measures to be utilized in contracts that tie to important child welfare outcomes, such as keeping children at home and returning children home quickly. ORRAI will be engaged to discuss elements needed to plan for ongoing data gathering and reporting.

7. To achieve optimal data collection, would you need to make **changes to your case management system**? Describe.

No anticipated changes needed to the Division's case management system.

Part 4. IMPROVING CUSTOMER SERVICE

1. Discuss the ways this POP will **improve customer service**.

This proposal improves customer service by developing systems that are more efficient

and more effective, with greater transparency and stewardship of state and federal funds. This POP will increase families' access to equitable, effective and safe services.

Contracted community partners will experience opportunities to meaningfully influence program and policy decisions and reduced contracting barriers as well as stronger partnerships with the division due to adequate staffing and enhanced provider engagement strategies.

2. Will your solution require an **IT investment?** Explain.

No anticipated IT investment.

Part 5. IMPLEMENTATION

1. If the legislature allocates funds for the proposed POP, how specifically would we **use the money to implement it?**

Positions: 15

- **Contract Administration – 10.85 FTE**

- 1 CW Manager 2 – Contract Administration Program Manager
- 1 Procurement Manager 1 – Contract Administration Team Manager
- 2 Procurement & Contract Specialist 3 – Contract Administrators
- 3 Procurement & Contract Specialist 2 – Contract Administrators
- 2 Procurement & Contract Specialist 1 – Contract Administrators
- 1 Operation & Policy Analyst 3 – Contract Administration Consultant
- 3 Operation & Policy Analyst 2 – Contract Administration Specialist
- 2 Administrative Support Specialist 2 – Administrative Specialists

This proposal would centralize 115 contracts which will be prioritized through the development of a system to assess risk based on specific criterion such as contract complexity, scope, \$ etc. as recommended by ARR.

Contract Administration positions will be managed centrally with contract administrators stationed in districts supporting regional coverage areas. Regional contract administrators will collaborate with districts and participate in regionally focused, district-led service array development, community and Tribal engagement, and district specific Continuous Quality Improvement efforts. Centralized management provided by leaders with procurement expertise will ensure contract administrators receive expert guidance and support and ongoing evaluation of contract oversight practices to ensure performance standards and consistently achieved.

***Note:** 4 existing positions to be repurposed from the current Child Welfare Contract Support Team:*

- 3 OPA3 Contract Consultants will transition to Operations, Training and Continuous Quality Improvement Team.

- 1 AS2 will transition to Operations, Training and Continuous Quality Improvement Team.

Summary/Scope: This proposal includes two teams of highly trained and experienced contract administrators who will utilize standardized oversight framework to administer about 115 child welfare client service contracts. These positions will be primarily managed centrally and stationed in field offices supporting regional coverage areas. These positions will provide centralized oversight on all contracting activities, including verification of background checks, insurance, incident reports, corrective actions, expenditure and utilization tracking, etc. This proposal also includes an Operations, Training and CQI Team responsible for development and maintenance of a standardized oversight framework to include performance standards, onboarding and training as well as ongoing assessments/audits of performance standards. This team will provide onboarding, training and support to the centralized contract administrators as well as contract administrators statewide.

Note: The remaining client service contracts and the non-client service contracts will continue to be monitored by staff in designated program areas utilizing the standardized contract oversight framework, with onboarding and support provided by the Operations, Training and CQI Team. Treatment Services Program contracts will continue to be administered by the Treatment Services Program contract administrators.

2. What are the biggest potential barriers or risks to successful implementation?

The biggest potential risk to successful implementation is funding the addition of contract administrator positions without establishing an Operations, Training and CQI Team to develop a standardized framework to guide new hires.

Root cause analysis indicates that the current lack of adequate oversight stems from two primary issues: 1) lack of dedicated positions and 2) lack of standardized guidance and expectations for contract administrators. This POP proposes the development of a program to address both by providing dedicated positions to administer contracts as well as an Operations, Training and CQI Team to develop and maintain standardized oversight framework, including performance standards, onboarding and training as well as ongoing assessments/audits of performance standards.

Both components are important to the success of the program, however, funding dedicated positions prior to developing standardized framework would hinder successful implementation. For this reason, if a phased implementation is considered it is strongly recommended that the first phase include the development of an Operations, Training and CQI Team with later phases adding dedicated positions for contract administration (as is detailed in Plan B. Proposal B).

3. What other **ODHS units, public agencies, Tribes, communities or other partners** will be involved in the implementation of this POP? What will their responsibilities be?

With approximately \$325 million spent on contracts each biennium, the Child Welfare Division's contracting decisions have widespread impact on communities throughout the state. Development of a Child Welfare Contract Administration Program would include community and Tribal engagement from the earliest stages. First steps will include the development of a Community Engagement Plan in partnership with the OEMS Community Engagement Team as well as consultation with Tribes in alignment with the Tribal Consultation Policy.

The Office of Contracts & Procurement has expressed full support of this proposal and will be closely involved with the development of standardized contract oversight framework, including performance standards and onboarding and training materials.

Self-Sufficiency Programs has expressed support of this project and will be invited to participate in all stages of the development of a Child Welfare Contract Administration Program to promote alignment of contracting practices where possible.

The Office of Resilience and Emergency Management recently completed a Child Welfare After Action Report and will be involved with the development of contract oversight framework, including performance standards.

Part 6. BUDGET

1. Are there **prior investments** allocated for this policy package?
There have not been any prior investments for the policy package.

2. What **assumptions** affect the pricing of this policy package?

At least four existing Design positions will be repurposed to support this policy package.

- 3 OPA3 Contract Consultants will transition to Operations, Training and Continuous Quality Improvement Team.
- 1 AS2 will transition to Operations, Training and Continuous Quality Improvement Team.

3. Will there be **changes to caseload, cost per case or services provided** to specific populations? Explain.

Developing a Contract Administration Program is anticipated to reduce the cost of contracted services and increase rate consistency by centralizing negotiations and providing resources needed to develop systems for standardizing rates.

This Policy Package will also increase the availability of high quality, effective, culturally specific and culturally responsive services intended to support populations disproportionately impacted by child welfare.

4. Describe the **staff and positions** needed to implement this policy package, and whether existing positions can be modified to meet the need. Be sure to note what each position type will be responsible for to move the proposed work forward.

Positions: 15

- **Contract Administration – 10.85 FTE**

- 1 CW Manager 2 – Contract Administration Program Manager
- 1 Procurement Manager 1 – Contract Administration Team Manager
- 2 Procurement & Contract Specialist 3 – Contract Administrators
- 2 Procurement & Contract Specialist 2 – Contract Administrators for CW
- 1 Procurement & Contract Specialist 2 – Contract Specialist for OC&P
- 2 Procurement & Contract Specialist 1 – Contract Administrators
- 1 Operation & Policy Analyst 3 – Contract Administration Consultant
- 3 Operation & Policy Analyst 2 – Contract Administration Specialist
- 2 Administrative Support Specialist 2 – Administrative Specialists

***Note:** 4 existing positions to be repurposed from the current Child Welfare Contract Support Team:*

- 3 OPA3 Contract Consultants will transition to Operations, Training and Continuous Quality Improvement Team.
- 1 AS2 will transition to Operations, Training and Continuous Quality Improvement Team.

Contract Administration Teams Staff:

6 PCS 1s, 2s and 3 Contract Administrators will collectively administer about 115 client service contracts (about 70 percent, or 250 contracts). Contracts will be assigned to PCS1, 2 or 3 based on contract complexity, scope and risk, with PCS3s providing oversight on contracts with the highest risk (based on a standardized system based on specific criterion). These positions will provide centralized oversight on contracting activities, including verification of background checks, insurance, incident reports, corrective actions, expenditure and utilization tracking, etc.

2 AS2 Contract Support Specialists (plus one existing position repurposed for this need) will provide contract tracking and data entry, support processing background checks, monitoring staff requirements such as background checks, transportation checks, staff qualifications/training (with oversight from Contract Administrators). In addition to other operational needs such as supporting organizing audits/assessments, data management, meeting scheduling and database support.

1 Procurement Manager 1 - Contract Administration Manager will provide direct supervision of contract administrators (PCS1, 2 and 3) as well as administrative support (AS2). The Contract Administration Manager will organize and manage contract assignments, manage workflow, and review and evaluate contract oversight practices to ensure performance standards are consistently met.

Office of Contracts & Procurement Child Welfare Contract Support

1 Procurement & Contract Specialist 2 - Child Welfare Contract Specialist will be under the Office of Contracts & Procurement. This position will become the primary contact for Child Welfare on contract solicitations and contract development. The Child Welfare Contract Specialist will increase the Office of Contracts & Procurement's capacity to prioritize Child Welfare contracts and will allow the Division to improve contract development methods including solicitation practices that can create substantial barriers for businesses run by people of color, women and service-disabled veterans. This position will be available to consult directly with Child Welfare staff to engage in solicitation planning and throughout the contract development process.

Operations, Training and CQI Team:

1 Operation & Policy Analysts 3 Contract Administration Consultants (*plus three existing positions to be repurposed for this need*) will develop and maintain consistent performance standards and guidance for all Child Welfare Contract Administrators and design and plan improvements to improve contracting practices in alignment with procurement rule and department and agency goals. These positions will also participate in the design and delivery of onboarding and training for Child Welfare Contract Administrators as well as conducting regular audits/assessments of contract administration practices statewide to produce data on gaps and areas in need of improvement.

3 OPA2 Contract Administration Specialists will provide onboarding/training, guidance and support to Child Welfare Contract Administrators to maintain consistent performance standards. These positions will partner with Contract Administration Consultants to participate in regular audits/assessments of contract administration practices statewide to produce data on gaps and areas in need of improvement. Contract

Administration Specialists will also manage all child welfare contract requests ensuring requests sent to the Office of Contracts & Procurement align with department and agency goals.

1 CW Manager 2 Contract Administration Program Manager will oversee the Child Welfare Contract Administration Program. This position will provide the strategic vision for the program, ensuring child welfare contract oversight practices align with procurement rule and department and agency goals. This position will utilize data to maximize operation efficiency and performance outcomes and provide direct supervision to two Contract Administration Managers as well as staff on the Operations, Training and CQI Team.

5. What are the **startup and one-time costs** associate with this POP?

There are no anticipated start-up or one-time costs associated with this POP.

6. What are the **ongoing costs**?

Positions and supplies associated with positions will be ongoing costs.

7. What are the **sources of funding (revenue)** and the funding split for each one?

Positions qualify for some federal fund revenue sources, such as IVE and Block Grants. Anticipated funding split for all positions is 70%GF/30%FF.

8. What are potential **savings**?

The Division spends millions of dollars each biennium on unutilized contracted services capacity due to lack of adequate contract administration and deficiencies in cost monitoring. The development of a Contract Administration Program and implementation of contract oversight framework is projected to save the Division millions of dollars each biennium by strengthening contract oversight practices including cost monitoring.

Additionally, enhancing contract administration will allow the Division to build stronger relationships with contractors, increasing retention and supporting fair negotiations resulting in lower costs for contracted services.

TOTAL FOR THIS POLICY PACKAGE

| | General Fund | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|-------------------|--------------|-------------|---------------|-------------|-----------|-------|
| Personal services | \$1,806,383 | | \$774,159 | \$2,580,542 | 15 | 10.85 |

| | | | | | | |
|---------------------|--------------------|------------|------------------|--------------------|-----------|--------------|
| Services + supplies | \$95,700 | | \$41,015 | \$136,715 | | |
| Capital outlay | | | | | | |
| Special payments | | | | | | |
| Other | | | | | | |
| Total | \$1,902,083 | \$0 | \$815,174 | \$2,717,257 | 15 | 10.85 |

FISCAL IMPACT BY PROGRAM

| | Positions | Program 2 | Program 3 | Program 4 | Total |
|---------------|-------------|-----------|-----------|-----------|--------------------|
| General Fund | \$1,902,083 | | | | \$1,902,083 |
| Other Funds | | | | | \$0 |
| Federal Funds | \$815,174 | | | | \$815,174 |
| Total Funds | \$2,717,257 | | | | \$2,717,257 |
| Positions | 15 | | | | 15 |
| FTE | 10.85 | | | | 10.85 |