

Contracted Human Services

**Build Successful
Contracting Relationships**

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Summary

The County's financial commitment to contracted human services has increased significantly in the past twenty years. In 1980, the County decided that whenever possible, services would be delivered through contracting. Some principles for contracting were also declared. Since then, the County has invested substantial staff resources in building a better contracting system and streamlining processes.

Many positive and important improvements have been made in the human service contracting system, but they have often been incremental and difficult to fully implement. Several attempts have also been made to clarify County contracting values, yet comprehensive guidance for the delivery of contracted human services has not emerged.

Our audit reviewed human services contracting in four County departments – Aging and Disability Services (ADS), Community and Family Services (CFS), Community Justice, and Health. We also looked at some internal processes and functions in the Purchasing and Contracts Administration units. We found that while some components of a contracting framework could be found in some departments, overall consistency and direction were lacking.

To strengthen and maintain the system, a formal, strategic framework is needed. Such a framework includes principles, operating guidelines, and mechanisms for community dialogue, accountability, and continuous improvement. It clarifies the organizational processes that guide decisions and maintain the system's stability and effectiveness. Within a framework, contracting relationships are defined and the range of approaches to contracting developed.

First and foremost, the County needs to define and communicate the philosophy and vision for the human services delivery system. These determine the roles and responsibilities for County personnel and community contractors and provide the foundation for planning and system management.

The County also needs to clarify the role of competition and better define partnership. When the County's primary objective is lowering costs, it should develop highly competitive services. But, when there are other objectives such as collaboration and developing the community's capacity to solve problems, it should create partnerships that incorporate mutual responsibility and accountability.

Community planning structures that include clients, advocates, and providers need to be further developed. This requires the willing and active participation of providers, whose expertise and understanding of clients are vital to successful planning. Roles and responsibilities need to be outlined and multiple partnership opportunities specified. Additionally, the lead agency model to contracting should be further examined to clarify if such an approach is consistent with the County's values.

System management needs to be formalized and followed consistently in each department. Otherwise, whenever problems arise, the County will continue to review the contracting system from the ground up. Contracting processes should reflect County values and policies, accommodate multiple relationships, and bring stability.

We discovered that in many cases, the County favors partnership mechanisms in contracts. Such mechanisms require strong fiscal and program monitoring functions. We did not find strong monitoring functions consistently across departments. To support monitoring efforts, the County needs to strengthen technical assistance and add a formal conflict resolution process.

A critical factor in accountability is evaluation. Although the County has made progress towards effective evaluation of programs and systems, evaluation efforts need further improvement.

Finally, the County needs to review the effectiveness of the contracted human service system to determine if principles and framework mechanisms have been implemented and goals have been accomplished. This needs to be done regularly, to ensure a sound and effective system of care.

Background

Changes in the human service delivery system

Human services promote the physical, mental, and emotional health of individual residents and improve the quality of life of families and communities. Since 1980, the number of human service programs for which the County has primary responsibility has grown dramatically. There are more departments administering those programs, and a greater percentage of County resources are dedicated to human service contracting.

A number of factors contributed to the growth of the human service sector, among them a shift in responsibility from State and Federal programs to local governments. Other forces, such as ballot measures that cut funding and the call to re-engineer government, also impacted the contracting environment. Social and health crises that required urgent responses (e.g. homelessness and AIDS/HIV) caused dramatic changes within the service delivery system. As a result, several efforts have been undertaken to improve contracting efficiency and accountability.

Since 1980, a highly complex human service contracting system has also emerged. The County contracts for a multitude of social services, mental health services, and health-related services in four different departments: Children and Family Services (CFS), Community Justice, Health, and Aging and Disability Services (ADS). A significant part of the County's mission is carried out through human service contracts. Each department has multiple funding sources and may have different programs with a variety of contracted services. There has been significant growth in human services contracting just in the last 5 years. Approximately \$45 million of this growth has occurred in CFS. Contracted services in Community Justice have grown from \$7.3 million in FY 95-96 to \$16.8 budgeted in FY 98-99. Funding levels in the Health Department and ADS have remained relatively stable.

Current contracting effort

Approximately 1200 expenditure contracts or amendments to contracts totaling \$143 million were executed or active during FY 98-99. A fraction of this amount included professional consulting or miscellaneous services, but most was for delivery of human services. CFS accounted for 79% of contracted services, followed by Community Justice with 10%, ADS 6%, and Health 5%. The chart below summarizes all active expenditure contracts and amendments during FY 98-99.

Exhibit 1

Human services expenditure contracts and amendments FY98-99

Agency	Number	Percent of Number	Amount	Percent of Amount
CFS	723	60%	\$113,167,000	79%
Health	279	23%	7,424,000	5%
Justice	151	13%	14,905,000	10%
ADS	49	4%	7,985,000	6%
Total	1202	100%	\$143,481,000	100%

Source: Auditor's Office Analysis

In FY 98-99 there were 528 different contractors providing services for the 4 departments. The majority of providers contracted with only 1 department. However, there were 40 providers that had contracts with 2 departments, 9 providers that had contracts with 3 departments, and 4 providers that had contracts with all 4 departments. These 53 providers account for 35% of the budget for contracted services. CFS contracts with 369 different providers, Health with 116, Justice with 75, and ADS with 38.

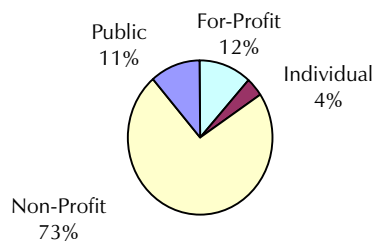
During FY 98-99, contracted services as a percentage of each department's budget accounted for 20% of ADS, 13% of Health, and 25% of Community Justice. CFS's contracted services make up 78% of their budget.

Generally, expenditure contracts for human services over \$50,000 go through a formal Request for Proposal (RFP) process. While most human service contracts were below \$50,000 in FY 98-99, 37% were above \$50,000.

The following chart demonstrates that the bulk of FY 98-99 human service contract dollars went to non-profit agencies, but those agencies held only 33% of the contracts. This compares to individual service providers with 34% and for-profit companies with 25% of the contracts.

Contract dollars by type of provider FY98-99

Exhibit 2



Source: Auditor's Office Analysis

County contracting responsibilities and process

The Contract Administration unit in the Finance Division, Department of Support Services, coordinates the County's contract approval process. The unit oversees contract routing through purchasing, provides technical assistance to departments preparing contracts, tracks insurance requirements, and maintains a copy of all the County's contracts. The Purchasing unit, also within the Finance Division, reviews all human services contracts over \$50,000 for compliance with procurement requirements. Contracts are also reviewed by County Counsel to ensure that essential elements of the contract are present and do not conflict with federal or state law, that compensation terms are clear, and that services are sufficiently described to measure performance.

CFS has centralized several contracting functions in their Contract and Evaluation Services unit (CES) to conduct Request for Proposal (RFP) activities, process contracts, and carry out program evaluation. CFS also has a centralized and formal fiscal review function, but many contract administration responsibilities occur at the program office level.

CFS also administers the Qualified Vendor Status Application (QVSA) process for providers wanting to compete for contracts over \$50,000 for all four human service departments. The QVSA is conducted on a pass/fail basis and documents the administrative capabilities of agencies that apply. Providers may submit a QVSA at any time, but must qualify before entering into a contract.

Community Justice has a centralized contract team within Resource Management Services conducting contracts administration, fiscal monitoring and compliance, and program monitoring. That division also has a separate evaluation unit. Program personnel in the Department have primary responsibility for maintaining relationships with contractors.

The Health Department's contracting activities are highly decentralized, except for 1.5 FTE in Business Services who process and track contracts. Personnel in the numerous programs throughout the Department are responsible for procurement planning and development, as well as program monitoring. There are no centralized formal fiscal review or program evaluation processes.

In ADS, contract administration is jointly coordinated by one staff person in the Business Services Division and one staff person in the Community Access Services office. Fiscal compliance review is conducted informally, or may minimally occur at renewal. Program monitoring is based on review of monthly reports and interactions with provider staff.

Scope and methodology

The purpose of this audit was to assess the condition of the contracted human service delivery system. Included were the four human service departments and the Purchasing and Contracts Administration units. We reviewed contracting processes, systems, and relationships. We did not review specific contracts, except as samples, nor did we assess the effectiveness of services delivered.

Audit staff interviewed department directors, division managers, and key staff from ADS, CFS, Community Justice, the Health Department, and the Department of Support Services which oversees the Finance Division's Purchasing and Contracts Administration units. We also met with the Contracts Improvement Steering Committee, reviewed their meeting minutes and reports, attended Committee meetings, and observed a Committee-sponsored provider forum. We spoke with County Counsel and interviewed members of the provider community.

Pertinent state laws and administrative rules, as well as County ordinances, orders, and resolutions were studied. County class II contracts purchasing and contracting policies, rules, procedures, and forms, along with individual department procedures and forms were reviewed. Audit staff examined the County's contract boilerplate, as well as any additional boilerplate language used by the human service departments. We collected samples of RFPs, current contracts, monitoring documents, and evaluation reports. The County's QVSA guidelines were also reviewed.

A database was constructed to combine contracting data from all four human service departments for FY 98-99. The database provided a basic inventory of contracts and yielded general information for analysis. Audit staff also compiled a history of the human service delivery system since 1980. Information was drawn from County budget documents and other reports and documents. An abridged historical timeline can be found in the appendix of this report. A comprehensive narrative summary covering the major changes in the system for the past twenty years, is available from the Auditor's Office.

Our audit compared current practices with those found in human service contracting and public procurement literature. A bibliography can be found in the appendix. Review of other jurisdictions began with a comprehensive search for model human service contracting systems. This search resulted in a list of model systems in counties throughout the United States. A total of 13 counties were identified. Ultimately, some counties were found not comparable with Multnomah County, or they were unwilling to participate in a more extensive survey.

Contracting staff from the following six counties responded in writing and through phone interviews:

- Fairfax County Virginia
- Fulton County Georgia
- Hennepin County Minnesota
- Montgomery County Maryland
- Wake County North Carolina
- Washington County Oregon

The other seven counties were: El Paso County Colorado, Franklin County Ohio, King County Washington, Lee County Florida, Ramsey County Minnesota, San Diego County California, and York County Pennsylvania.

The following primary audit tasks were identified:

- 1) analyze and describe procurement and contracting processes, including monitoring and evaluation
- 2) research and summarize literature and best practices for developing a contracting framework
- 3) analyze the strengths and weaknesses of the County's current human service contracting system

This audit was included in our FY 99-00 audit schedule, and was conducted in accordance with generally accepted government auditing standards.

Audit Results

County lacking needed elements of a contracting framework

Since 1980, human services have been planned and delivered without a comprehensive framework that would clarify values, principles, and strategies. The lack of a well-defined framework has impacted the County's ability to adequately administer contracted services or clearly define relationships. Further, the resulting conflicts have prevented development of a fully functioning system where the County and providers are mutually responsible and accountable.

To ensure full implementation, the framework for the delivery of human services in any jurisdiction requires clear definition. Such a framework brings stability, allows for change, reflects community and organizational values, and endures over time. Much like the documents that declare and authorize all government activities, the framework provides a road map of how to achieve social service goals. Without it as a guide, attempts to provide for those in need can be undermined, and the system itself can destabilize and become ineffective.

The County's contracting system is a dynamic one that has been affected by a number of social, political, and economic forces. Historically, there have been efforts to define guiding principles and values for human service delivery. County officials, providers, and the community have discussed several times how best to manage the system. A strategic plan for carrying out the County's established goals was included in the 1980 White Paper from the Department of Human Services (DHS). In 1993, a Board of Commissioners' Task Force reviewed human service contracting and the relationship with providers. In both cases, as well as through other initiatives and efforts, the ultimate result was a focus on service delivery, not implementation of an effective contracted service system.

Elements of a framework

A framework includes mechanisms for continual systemic re-evaluation and improvement, as well as identified approaches for carrying out services. It also serves as a guide to decision making that brings clarity of purpose and allows for practical implementation. A clearly defined framework for human service delivery would provide rationale for the County's purchasing decisions and processes for system administration.

Outline of a contracting framework

KEY ELEMENTS	SYSTEM COMPONENTS
Philosophy and Vision	<ul style="list-style-type: none"> ● <i>Statement of goals and values</i> ● <i>Set of principles to guide the implementation of a contracting system and give shape to the desired outcomes</i> ● <i>Clarifies the role of competition</i>
Community Planning Structures	<ul style="list-style-type: none"> ● <i>Planning processes that identify need; map existing resources, services, and infrastructure; provide a basis for policy and program priorities; and assist with resource allocation decisions when there are competing priorities</i> ● <i>Ensures that broad policy objectives and priorities are linked to specific purchasing decisions</i> ● <i>Decision to contract is mapped</i> ● <i>Includes processes to ensure consumer and community input</i> ● <i>Uses information from service evaluation and monitoring</i>
System Roles and Responsibilities	<ul style="list-style-type: none"> ● <i>Defines the difference between vendor and partner</i> ● <i>Multiple approaches to partnership defined</i> ● <i>Mutual accountability and responsibility</i>
System Management	<ul style="list-style-type: none"> ● <i>Decision to contract is reviewed</i> ● <i>Various ways in which the relationship between the County and providers is fostered and maintained (technical assistance, conflict resolution, forum for dialogue and debate)</i> ● <i>Processes that allow for partnership, change, mutual accountability, and flexibility</i> ● <i>Processes that create stability while allowing the benefits of competition</i> ● <i>Procedures that provide a clear, accessible, efficient, and fair contracting process</i>

County has some components in place

We found examples of some of the suggested components in County documents and activities. In some cases, innovation and experience have produced best practice, yet there is no systemic structure to guide service delivery and build successful contracting relationships.

Values and goals were first outlined in the 1980 White Paper, and other components have been adopted over time. Defined roles and responsibilities are undeveloped. Planning and system management functions are in place in some of the departments but not in all.

Exhibit 4

County components of a contracting framework

KEY ELEMENTS	COMPONENTS FOUND IN THE COUNTY
Philosophy and Vision	<ul style="list-style-type: none"> ● <i>Strategies designed in collaboration with providers, advocates, clients, staff, and other professionals (White Paper)</i> ● <i>Cost, access, quality, and the social value of alternative services are the criteria for contracting out (White Paper)</i> ● <i>Reduced administrative costs (White Paper)</i> ● <i>Community providers can more appropriately provide for clients in most situations (White Paper)</i> ● <i>Citizens best served by limited government (White Paper)</i> ● <i>Services provided should have specific goals, objectives, and performance measures (Board action)</i> ● <i>Contracting as a partnership (Task Force on Contracting)</i> ● <i>Continuous improvement approach (RESULTS Initiative)</i> ● <i>Co-location and geographical location of services (Integrated Services Initiative)</i> ● <i>Goal to build community capacity (Community Building Initiative)</i>

KEY ELEMENTS	COMPONENTS FOUND IN THE COUNTY
Community Planning Structures	<ul style="list-style-type: none"> ● <i>Monthly meetings with citizen advisory groups to discuss community needs, program performance, opportunities and new policy development (ADS)</i> ● <i>Citizens participate with County in panels and committees to develop new services, monitor performance, or fill key staff positions (ADS)</i>
System Roles and Responsibilities	<ul style="list-style-type: none"> ● <i>Undeveloped</i>
System Management	<ul style="list-style-type: none"> ● <i>Decision to contract should occur in the planning process and be based upon the criteria of accountability, system issues, program, expertise, legal restrictions, cost, collective bargaining agreements, and consumer input (Task Force on Contracting)</i> ● <i>Technical assistance offered through internal, informal processes (All departments)</i> ● <i>Centralized and formal fiscal and compliance monitoring function (CFS)</i> ● <i>Centralized support for some monitoring tasks (CFS, Community Justice)</i> ● <i>Centralized evaluation process (CFS)</i>

Philosophy and guiding principles should be clarified

The philosophy and vision of any human service delivery system determines the roles and responsibilities of government and contracting agencies. Philosophy and vision also provide the foundation for planning and system management. Without clarification of system values, the actions that employees take and the responses that contractors, citizens, and clients receive, can lack uniformity.

Two significant documents – the 1980 White Paper and the 1993 Task Force Report – and various department-level decisions have guided the County’s contracted human service system. Principles and values are not specifically stated in policy papers, making it difficult for community providers to understand actions taken by County personnel and officials. Additionally, incremental initiatives undertaken without integration into a broader contracting framework have compounded employee and contractor confusion.

The 1980 White Paper presented an examination of the County’s human service delivery system. The objective of the White Paper was to

“establish a framework and direction” for health and human services. To support its mission, DHS believed it imperative to identify health and social service delivery strategies in collaboration with providers, advocates, clients, staff, and other professionals. In the White Paper, DHS listed the principles necessary for achieving its mission and identified cost, access, quality, and the social value of alternative services as the criteria for contracting out. DHS also believed that contracting could reduce administrative costs, that community providers could most appropriately provide for clients in most situations, and that citizens were best served by limited government. The long-term impacts of the White Paper are not altogether clear. The work plans outlined in subsequent budgets do not specifically follow the principles and plans laid out in the White Paper, although they do reflect many issues addressed there.

In 1992, the Board of County Commissioners (Board) established a task force to review policies and procedures for awarding, monitoring, and evaluating human services contracts. The Task Force on Contracting was created in response to requests from providers and County staff to examine the contracting process. They were particularly concerned about the lack of uniform processes, priorities, and coordination between departments and divisions. This had resulted in duplication of work efforts and disparity across departments with regard to provider participation in planning and funding allocation.

The final report from the Task Force, issued in 1993, made recommendations in three areas: (1) planning and partnership; (2) the procurement process; (3) and monitoring and evaluation. They saw these three areas as “part of the iterative process of delivering human services, each necessary to the success of the others.” At the same time the Task Force was meeting, the Board required that all services provided directly or through contract have specific goals, objectives, and performance measures. The Task Force viewed their recommendations as entirely compatible with the Board’s move toward performance based contracting. The Task Force also identified the need for more commitment to partnership. Despite the emphasis on the principles of partnership, ways to apply those principles in the contract relationship were not clarified.

Other initiatives followed, including the establishment of County Benchmarks, the Integrated Services Initiative, the RESULTS campaign, and the Community Building Initiative. To varying degrees these efforts to improve county services were declarations of countywide values, yet none presented a framework to guide service delivery.

In 1998, the Contracts Improvement Steering Committee was appointed to examine problems identified by human service providers. The Committee surveyed contractors and developed service guidelines to improve contracting processes. Both the survey and the guidelines focused on these areas:

- Planning for RFPs
- RFP response and selection
- Contract development
- Contract implementation
- Payment
- Contract monitoring

The Committee issued its final report in April 1999. In it, they recognized the need to continue efforts to improve human service contracting processes. As a result, two teams were chartered, one to address policy issues and the other to review and make recommendations about contracting processes. Currently, the policy team is attempting to define the County's principles, values, and overall framework for human service delivery. Their work is a significant beginning to building a strategic framework.

County needs to clarify the role of competition

The role of competition is an important consideration when determining contracting relationships. Most jurisdictions we surveyed found competition critical to their contracting objectives. Fairness and high quality services at the lowest cost were cited as the primary benefits of competition. But, there are risks inherent in a competitive market model, including:

- Service disruption and uncertainty for the client
- Loss of a choice among providers if large organizations are favored over small ones
- Forces working against community cooperation and collaboration
- Difficulties in planning and managing in a strategic way
- Over time, a gradual undermining of infrastructure to deliver quality services

Based on the risks, some sources contend that competition should be used only when replacement of an existing provider is necessary, for new services, or to launch pilot programs. Some research questions the appropriateness of market approaches to human services altogether. They believe partnership

is essential for successful human service delivery. Further, they charge that it is important to look beyond the contract itself in order to:

- Develop common goals and strategies
- Strive for a relationship built on strategic partnership
- Use a range of contracting models for different situations
- Maintain diversity and stability
- Strengthen continuous improvement and accountability efforts
- Support good management and community infrastructure

Mechanisms for measuring the effects of competition could provide the County a way to analyze the risks and benefits. In FY 98-99 there were about 59 exemptions from the competitive RFP process totaling approximately \$43 million in the County's human service system. Some of these exemptions were due to extended planning processes, but the volume of the exemptions is an indicator that the role of competition should be re-examined.

Community planning is inconsistent and sporadic

There are ongoing efforts in many jurisdictions to involve a broad range of stakeholders in decision making. This may create greater overall satisfaction between government and providers with service delivery, the public policy making process, and the contracting relationship. Other jurisdictions we interviewed also tend to involve providers, some more extensively than others. For example, some of Fairfax County's contracts require the participation of providers in long-range planning initiatives or in cross-agency informational or assessment meetings.

Wake County operates with a unified philosophy and protocol for contracting practices. They provide a continuum of service delivery through partnerships and community capacity building, as well as direct services. During the re-engineering of their human services contracting system in the early 1990s, Wake County developed a unique method called Areas of Study (AOS). AOS is used to comprehensively study community issues, rather than service populations. It is conducted by teams made up of program staff, professionals from the human services community, and in some cases, consumers and providers. The purpose of AOS is to better define service issues, discover best practice, and determine partnership possibilities. Service delivery and contracting relationships are built around the information that emerges from the AOS process.

Multnomah County has moved towards collaborative planning with providers for many of its services. Providers report various experiences in system planning, depending on the department, or sometimes the

contract. Some misunderstanding could be avoided if provider agencies were more actively involved in the planning of service systems, as well as the planning of RFPs. This requires that providers also take the opportunity to participate fully in system planning. They have an important role in creating system stability, and this role carries with it responsibilities for active involvement in planning.

Required by Federal mandate, ADS consistently involves community providers, clients, and advocates in planning. Cooperative planning at ADS has contributed to building partnership with providers. The Department meets monthly with its two citizen advisory committees to discuss community needs and policy development. Members of the advisory committees participate with County staff in panels and committees to develop new services, monitor performance, and fill key staff vacancies. Also, ADS and its advisory committees periodically hold public forums to hear from citizens regarding community need, gaps in services, or quality issues.

Community Justice has increased provider involvement in RFP planning and moved away from isolating programs and procurement staff from one another during the RFP process. Historically, what resulted were prescriptive RFPs without benefit of the providers' expertise. While Community Justice considers it essential to involve providers, they have found it difficult to get providers to participate in planning unless actual funding will result. Providers also may have trouble stepping out of their role as competitors and advocates.

Multnomah County recently tried new approaches to procurement that may indicate a need for more collaborative planning. In particular, CFS has undertaken several unique procurements including the recent Downtown Homeless Youth Programs RFP, the Domestic Violence Program RFP, and the Combined RFP for the redesign of the Community and Family Service Center System. All three RFPs met with resistance from the provider community and required modifications that caused delays.

For example, the decision to redesign the Community and Family Center System and develop the Combined RFP lacked provider input. Community-based agencies were involved in system and RFP planning only after the County had decided to make the change. From the perspective of the provider community, the change was confusing and was not informed by their expertise and knowledge of clients. The County may have missed an opportunity to build trust and create provider buy-in.

System roles and responsibilities should be more explicit

Mutually agreed upon roles and responsibilities are critical for building partnerships. Such partnerships reflect the philosophy, values, and policies described in the framework, and are formed out of the desire to strengthen service delivery. When contracting relationships are viewed in the context of building an efficient and effective system of care, opportunities for strategic partnership emerge.

Most other jurisdictions surveyed clarify roles and responsibilities on a contract-by-contract basis, not as part of a contracting framework. Fairfax County does not delegate full responsibility for services, and they actively take steps to assure that a provider is successful. Hennepin County views providers as independent contractors, with the role of government as setting system goals and outcomes. The exception is Wake County, which has incorporated specific roles and responsibilities into their contracting framework.

In a partnership, the contracting decisions are based on strengthening working relationships and ensuring system viability. In contrast, a purely market model of contracting encourages competition among potential contractors, has price as the main criteria, and contains a high level of specificity.

Partnership-type contracts often do not support the market approach. Existing providers may be too small to offer administrative capacity or the cost of entry into the service area can be high. Service providers may be unlikely to enter the "market" where client needs are high and positive outcomes are difficult to achieve. For the County, this can mean greater dependency on established contractors, particularly when the capacity to provide services or rapidly find alternatives is diminished.

There are distinct advantages to market mechanisms that are based on value for the money. Competition makes it easier to replace a contractor who is performing poorly and helps avoid monopolies that can be programmatically rigid and reduce choice. A competitive environment also increases the likelihood of economy and efficiency, but an inappropriate level of competition for services can contribute to destabilization of the system. In partnership situations, the role of competition must achieve a balance between fairness and maintaining stability in the system of care.

The following chart shows criteria for the partnership and market models and compares some factors common to most human service contracting systems. Many of the criteria are also useful in determining when to provide services directly, versus by contract. Other factors such as the type of service, legal mandates to contract, client access to services, the opportunity to locate public and private services together, and the quality of services, can lend themselves to either model.

Criteria for partnership or market relationship

Factor	Partnership	Market
Cost of services	Market principles do not apply; cost minimization is not the objective of the contracting relationship	Lowering cost based on competition is a priority
Availability of providers	Fewer providers available—need to increase delivery capability in community	There are a sufficient number of qualified providers—consumers can make choices among providers
Continuity of services	Highly disruptive for clients to change service provider	Clients not significantly affected by a service disruption
Clarity of outcomes, difficulty of the service	Outcomes are more difficult to define	Outcomes can be clearly defined and measured
Mix of public-private funding available	Increases total resources available	Contracting has no impact on total funds available for services
Philosophy for service delivery	Favors a more collaborative approach	Favors cost efficiency
History and politics	High level of commitment to community delivery of services	Low level of commitment to building community-based service delivery capacity
Provider dependency on government entity funding	Government entity funding makes up a significant portion of provider's budget	Government entity funds insignificant portion of operations

County needs to specify approaches to partnership

Partnership can be broadly defined as a relationship in which government and other agents work co-operatively to achieve a specific objective at the community level. It requires the sharing of resources, responsibilities, decision-making, risks and benefits, according to a mutually agreed-upon arrangement. A healthy tension may exist, but in functional systems, that tension is characterized by the commitment of both parties to good communication, mutual understanding of respective strengths and weaknesses, mutual obligations, and mutual goals for client outcomes. This allows minor disputes to be resolved easily, ensures that all parties are able to have their concerns heard, and provides a forum for handling major issues.

A general definition of partnership is important, but delineation of specific approaches to partnership is essential. The values and principles established by the framework drive decisions about contracting relationships. Depending on the community and the needs of the population being served, different human service activities may require different approaches to contracting. The framework must allow for these multiple approaches, as well as specify the use of the approaches.

Contracting arrangements can be viewed on a continuum that ranges between the broad partnership and market categories shown on the previous chart. Once placed on the continuum, operational approaches

can be better analyzed. For example, ADS has already developed what they term “partnership contracts” and distinguishes those from other kinds of service contracts. A framework with explicit partnership mechanisms would support the partnership efforts of ADS and other human service departments, as well as provide a tool for assessing the appropriateness of specific partnership contracts.

The following types of partnership fit within the partnership/market continuum. The list represents a descending scale of decision-power sharing.

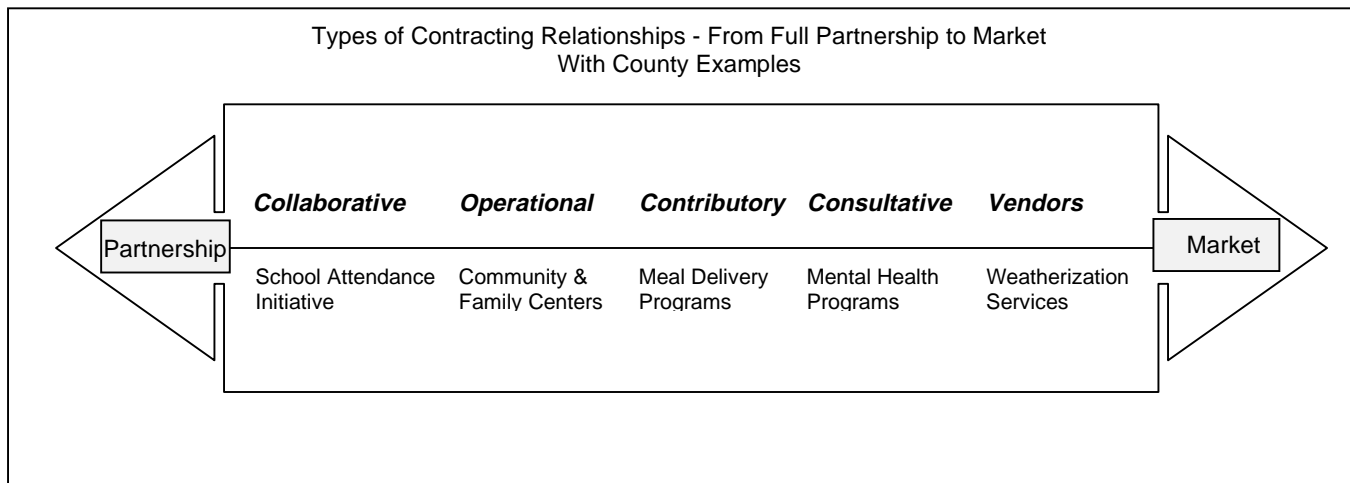
Exhibit 6

Different types of partnership

Collaborative	Decision-making authority, ownership, risks, and benefits are shared. Government surrenders some power to collaborators.
Operational	Sharing extends to include costs and activities. Government often retains control over objectives, but partners influence decision-making.
Contributory	The government organization provides financial support for a project or activity in which it has no direct operational involvement. Government retains control over the objectives to be reached and the clientele targeted.
Consultative	Primary objective is consultation from contractors. Control, ownership, and risks are usually the public sector's responsibility.

The continuum featured below demonstrates the partnership-market continuum, and includes the four types of partnership described above, as well as vendors, the purest form of the market-model relationship. It provides examples from current County-funded services to show how the continuum might be applied to existing contracts.

Exhibit 7



The continuum allows for more or less prescriptive contracts, depending on the service and/or providers available. For example, a program with a very specific service regimen that is based on proven practice might require a higher degree of government control in the contracting relationship. Other services, such as SUN Schools, more readily accommodate greater levels of partnership and less control. In reality, partnerships often shift from one type to another as the partners get to know and trust one another.

True participatory partnership can lead to strong alliances built on mutual accountability and trust. Multnomah County has a well-established competitive process with central oversight, but current procurement and contracting procedures may not facilitate partnership. For instance, it is difficult to have a partnership that must be suspended during the RFP stage. Yet, there is nothing in Oregon law that prevents partnership relationships. There is only the requirement that the procurement and contracting processes ensure fairness, preclude favoritism, and allow opportunity.

Role of lead agency needs to be clarified

The County is currently trying a new approach which includes contracting with a lead provider for a number of services. If the contract calls for services not offered by the lead provider, that agency generally subcontracts with other providers. CFS used this model in the re-design of the Community and Family Service Center System, believing that it would decrease fragmentation within the system of six geographic districts. A single contractor in each of the districts was awarded the contract. Cooperation between contracting organizations was encouraged, and in one district, a limited partnership allowed two providers to act as the lead agency. Many other providers who had previously contracted with the County to provide some of the system services, will now likely contract with lead agencies.

Some providers question the lead agency model. They point out that a lead agency's particular philosophy might limit approaches and they wonder how that will affect subcontractors and certain client populations. For example, some providers wonder whether traditional poverty services will receive less emphasis and funding if the lead agency has been predominately a mental health provider. Also in question is the ability of lead agencies to effectively support and monitor subcontractors, particularly since those subcontractors may be competitors in other situations. Additionally, there is concern that smaller agencies will not be able to survive and unique services will be lost.

Other providers view the change as good. They believe lead agencies have the expertise to bring subcontractors needed technical assistance and to conduct capacity building. Having a lead agency may protect the County's interests by creating a buffer in politically charged situations, according to some. From the perspective of a few providers, the lead agency model is the best way to build an integrated service system.

The lead agency approach needs further clarification from the County. Is the use of a lead agency consistent with the County's stated community building values? Does it simply add another layer of administration that takes the County further away from clients and increases administrative costs? What risks are associated with the potential loss of some small, grassroots organizations? This approach will also minimally reduce the number of contracts the County writes, so even though the lead agency approach could theoretically bring down the number of contracts substantially, it does not yet do that in practice.

Mutual commitment is an essential component in contracting

The County and human service providers must take joint responsibility for contract relationships in order to ensure the long-term stability of the system of care. A framework that includes clear boundaries and common goals, is the most effective way to protect the integrity of contracting relationships. Mutual commitment decreases the likelihood of relationships breaking down and undermining services.

Contracting processes have improved in the County. Those improvements often occurred in an environment of considerable change and reorganization. Although further improvements are needed, there is evidence that providers are responding positively. The results of the Contract Improvement Steering Committee's contractor satisfaction survey showed that a majority of respondents agreed that the contracting process was fair and efficient. Department-by-department assessments also fell within a range of general satisfaction.

There is also evidence that a portion of the provider community views the County's contracting system negatively. The comments the Committee's survey solicited from providers included a number of criticisms. Some of those criticisms also emerged in the Committee-sponsored forums conducted to receive contractor feedback on the service guidelines. Some providers we spoke with had significant concerns about some contracting processes and the degree of control imposed by the County. We also found that some providers had difficulty separating current practices from past negative experiences with the County; this could represent a barrier to positive change.

Commitment to the overall service system would be highly beneficial to both providers and the County. In some cases, the confusion and frustration contractors expressed about having to deal with different departments and being subjected to multiple County initiatives, may make it more difficult for them to readily participate. A framework could remedy this by clarifying values and communication mechanisms.

System management

System management is a critical element in a human service contracting framework. It helps ensure the adoption of the County's philosophy and vision, provides mechanisms for carrying out identified roles and responsibilities, and facilitates community planning structures. System management processes include:

- Methods for determining when to contract
- Technical assistance and provider infrastructure support
- Formal conflict resolution processes and an identified forum for dialogue and debate
- Processes that allow for partnership, change, mutual accountability, and flexibility
- Processes that create stability – such as multi-year contracts – while allowing the benefits of competition
- A clear, accessible, efficient, and fair contracting process

No systemic review of contracting since 1980

In any organization, the contracting process begins with the decision to purchase services. Some jurisdictions routinely question whether or not to provide direct services, either through a case-by-case decision process and/or through evaluation and review of the larger service delivery system. Consideration of the contracting out versus providing direct services should be done through formal policy analysis that evaluates efficiency, cost-benefit, community participation, and accountability. This process, often referred to as “make or buy,” is an important function of system management. No formal systemic review of when and whether or not to contract out or directly provide services has occurred in the County since the 1980 White Paper.

There is some evidence that contracting is not always the most effective method to deliver human services. In 1993, the Auditor's Office completed an audit of alcohol and drug treatment programs that questioned the County's ability to successfully manage that system of contracted services. In the early 1990s, the County began to provide involuntary commitment services directly as a means of controlling rising

costs. A 1995 audit of the Involuntary Commitment Unit found that the County-run program was more effective than contracted services.

Cost savings is frequently cited as a reason for contracting out. While cost is important, the County also contracts out for other reasons, such as:

- Providing services that capitalize on the strengths of community-based services
- Pooling public and private resources for some services
- Taking advantage of provider expertise in a particular area
- Flexibility

Governments can also address the question by taking a continuum approach to make-or-buy decisions using a set of consistent criteria. Wake County's extensive make-or-buy process focuses on access, improved quality, continuity of care, multiple funding streams, and developing community capacity to serve a population. For the make-or-buy stage, they created the following list of supporting beliefs and assumptions:

- Contracted services should be consistent with a strategic plan and based upon a needs assessment process which includes the participation of consumers and nonprofit service providers.
- Contracting is a shared process among service providers and administrative staff. Program managers have a primary voice in determining when a contracted service is needed, who the viable providers are, and who delivers the best product for the money.
- Written guidelines should be available to help program managers determine when and why to contract for services.
- By blending revenues, there should be more flexibility in designing service strategies and setting rates of fees for service.

Expand technical assistance role

Partnership requires technical assistance to increase the likelihood of delivering high quality services. Technical assistance is needed at start up and throughout the contracting relationship. It is critical to developing service capacity and is one of few alternatives in situations where the choice of providers is limited. Technical assistance can be made available in the procurement process, at a fiscal or program level, internally or by external organizations, or on an informal or formal basis.

County programs tend to offer technical assistance informally, but some are shifting to an alternate approach of providing technical assistance

by contracting with a lead agency. The lead agency subcontracts with other agencies, and in that role, monitors subcontracting agencies and provides technical assistance. Some in the County suggest that technical assistance should be formalized, perhaps through a management services organization.

The purpose of such an organization is to build the managerial skills of contractors and strengthen the contracting relationship. A project in New York provided technical assistance to hundreds of youth-serving agencies. It found that an organization's ability to survive and deliver high quality services is directly linked to its management and administration.

The level of technical assistance used by the jurisdictions we surveyed was mixed. Some counties emphasized technical assistance in a variety of areas to help achieve contract objectives. In Wake County, a centralized contracts management team provides technical assistance to promote accountability for outcome-based contracting. In some cases, technical assistance is used by other jurisdictions to develop outcome measures. Some Multnomah County departments also help providers with the development of outcome measures.

Conflict resolution
process needed

A well-designed contracting system includes a process for conflict resolution. The Office of Federal Procurement Policy recommends some strategies for conflict resolution in their guide to best contracting practices. They found partnering to generally prevent serious disputes, but when disagreements occur, there are multiple ways (e.g. conciliation, facilitation, mediation) to approach conflict resolution. The American Bar Association's Model Procurement Code, used extensively as a guide for public contracting, also recommends language to resolve disputes prior to litigation.

Multnomah County has no formal method for resolving conflict. Although most programs attempt to resolve disputes informally, a more formal process would improve dialogue between providers and County departments. It would also contribute to system stability by providing a forum for discussion of contract concerns.

The six counties we surveyed tend to view conflict resolution as part of the relationship continuum. Wake County relies upon technical assistance and informal workshops as tools for pre-empting conflict, but when conflicts occur, they handle it through conflict resolution on a case-by-case basis. Fairfax County uses an appeals process, and varying levels of negotiation are carried out in the other counties.

Some departments could strengthen fiscal monitoring

Monitoring is critical to the contracting relationship. It is essential that monitoring systems are in place *and* that there is a willingness to actively seek correction of substandard performance. CFS has a centralized and formal fiscal and compliance monitoring function with established procedures and a written monitoring protocol. Two fiscal monitors perform regular site reviews on all providers with contracts over \$50,000. The monitors assign a rating to providers based on an established set of criteria. The lowest rated providers get more frequent monitoring. When necessary, providers must agree to corrective action plans for which monitors provide follow through. Department personnel can also choose to provide technical assistance to improve provider's financial systems and controls.

Two recent cases of non-compliance were brought to the attention of County administrators by CFS fiscal monitors. Both cases resulted in withdrawal of funds from contractors. Such action is always a last resort measure and a difficult decision to make, particularly if the contracting agency provides a unique service. But, it is an action that should be taken when necessary.

The fiscal and compliance monitoring systems are not as well established in the other departments. In those departments, program personnel usually carry out these fiscal activities, and typically there are few procedures in place. By reviewing the fiscal and compliance monitoring function at CFS, other departments could strengthen their monitoring systems.

Departments will always have occasion to respond to non-compliance concerns with contractors. To increase effectiveness, monitoring efforts could be strengthened so that problems are recognized early. It is important that departments and programs coordinate activities since multiple County personnel may have contact with providers. The departments could better share information and eliminate any duplication of monitoring efforts for providers who have contracts with more than one department. Ultimately, efforts will only be effective if there is strong management support for those activities, and if staff are qualified and well-trained.

Program monitoring needs to be strengthened

The on-going relationship with a contractor is generally maintained at the program level. Program monitors perform many of the most important contract administration functions. They plan services, design and write RFPs, negotiate contracts, conduct site visits, offer technical assistance, develop performance measures, and monitor quality, utilization, and corrective actions. Because of their relationship with

providers, program monitors must understand the County's principles and values, and must be able to effectively communicate those.

Departments and programs approach monitoring responsibilities in a variety of ways, in part because of the range in size and complexity. Historically, monitoring practices have been developed separately with little communication among or within departments in the County. CFS and Community Justice offer centralized support for some monitoring tasks. CFS is also currently developing a quality service review process that could improve program monitoring activities.

Other jurisdictions we reviewed are working to develop appropriate levels of monitoring and do not feel enough resources are available to effectively monitor providers. Most of those counties tend to link program monitoring with fiscal monitoring and technical assistance, some more formally than others.

Monitoring techniques should supply strategies for identifying providers who deliver poor quality services, use outmoded models of service, or are inefficient. Program monitoring usually includes site visits and analysis of periodic reports. But in some County programs activities are more informal, with no documentation or linkage to fiscal and compliance monitoring. Monitoring guidelines are often inconsistent or absent, and do not include steps that encourage coordination. Clear procedures for monitoring – perhaps through the formation of interdisciplinary teams – would facilitate accountability. Further, linking technical assistance to monitoring could promote partnership.

In tandem with evaluation activities, monitoring provides an opportunity to build relationships that contribute to system stability and accountability. If appropriately implemented, monitoring and evaluation can eliminate the need for highly prescriptive RFPs and can take the focus off of the contract and put it on service delivery strategies.

County needs to clarify the use of performance-based contracting

Ultimate accountability for human service programs rests with the County. In a contracted system that includes mutual accountability, providers play a significant role in setting standards and demonstrating accountability. A performance-based approach to contracting holds contractors accountable for achieving desired results. Outputs or outcomes such as service completion rates or the condition of clients at service completion are used to measure efficiency and effectiveness. In contrast, a process-based approach to contracting holds providers accountable for following a prescribed way of service delivery. The focus is on measuring service units such as client eligibility, number of visits, or treatment modality.

Recently governments have moved from contracts relying solely on service units to service outcomes. This movement has paralleled government implementation of continuous improvement processes, results-based management, and performance benchmarking. The County appears to have made a similar decision to develop contracts based upon performance. In FY 94-95 the County mandated that performance measures be included in contracts. It has, however, chosen not to link payments to outcomes. Further, it is not clear that there is a reduction in the level of contract specificity that would be expected in a performance-based system.

A principal reason to contract services is to benefit from provider expertise and innovation to accomplish program objectives. With a shift towards a performance-based approach, it seems likely that a corresponding reduction in the level of specificity in contracts would follow, allowing providers to determine how best to achieve results. How the County carries out performance-based contracting varies from department to department.

To be useful, performance measures must be clear to both the County and its providers, and they must be consistent with each organization's mission. Some providers, although they agree with the concept, question how meaningful the established performance measures are. Many County providers claim that data systems are not yet sophisticated enough for a performance-based system. There may also be State or Federal fund restrictions that require County programs to report on process standards, making it even more difficult to focus on performance outcomes.

Research indicates that contracting agencies often oppose performance-based contracting because of what they see as the tendency for government funders to use unrealistic measures that are not based on best practice. Providers are concerned that they will be forced to accept clients that are not appropriate for their programs as a means of achieving standards that are not accompanied by adequate funding.

All jurisdictions surveyed used or are moving to performance-based contracting, and providers often participate in the development of performance measures. Some Multnomah County programs rely on provider expertise when establishing performance measures, while others arrive at those measures in isolation from the provider community. Participation by providers promotes the values associated with partnership, mutual responsibility, and mutual accountability.

The County should determine when to implement performance-based contracting and should clarify those situations where process-based might

be more appropriate. Also, increasing the level of provider involvement in the development of measures and clearly tying those measures to the County's benchmarks, could strengthen credibility with providers.

Evaluation is a critical element of accountability

Evaluating the outcomes of human service programs is often quite difficult. Because of the challenge of measuring effectiveness governments have historically looked at the ways services are delivered and not at the outcomes.

In 1990, the Board requested a plan for county-wide program evaluation, but budget reductions caused by the passage of Measure 5 affected its implementation. Currently, departments vary in their efforts to evaluate programs. The most sophisticated evaluation efforts are found in CFS where a contracts and evaluation unit was established in 1994.

CFS includes an evaluation plan in some RFPs which requires Contracts and Evaluation Services (CES) staff to gather input from stakeholders, develop a plan that clarifies the service outcomes to be evaluated, and identify the data collection systems to be used. CES schedules formal evaluations by analyzing data from quarterly reports, fiscal compliance reviews, and other monitoring tools. This systematic approach is a way to prioritize evaluations. Several times, however, the designated schedule has not been followed because staff within divisions tend to identify particular programs or providers for evaluation based on criteria other than those agreed upon. Undermining these scheduling procedures may reduce the effectiveness of evaluations.

Despite limited resources, reduced staffing levels, staff turnover, and difficulties in scheduling, CFS has made progress toward their service evaluation goals. In FY 98-99, they conducted three program evaluations and wrote seven evaluation plans.

County could improve evaluation processes

The other departments have begun to develop their ability to evaluate. In 1998, Community Justice formed a new division – Resource Management Services – with several administrative responsibilities including contract administration and program evaluation. ADS also created a new Planning and Special Projects division in 1998 that is charged with creating a program evaluation function.

Adoption of formal evaluation processes has not occurred throughout the Health Department. Currently, the Office of Planning and Development assists some program staff with establishment of outcome measures for contracted services, but the decentralized nature of the Department may make it difficult to carry out program evaluation consistently.

Evaluation of the Health Department's contracted services is often required by funding. In the HIV Program, for example, evaluation and monitoring of providers are tied together. Specific requirements of Ryan White Act funded services mean that any monitoring done contains elements of effort, process, and outcome evaluation. The Connections Program also works to build good outcome measures into the contract so that evaluation can occur, but there are no formal evaluation processes in place.

There may be a need for evaluation to be independent of the providers and the County. There is a risk that programs can be too close to the providers and neglect to hold them accountable for results. There is also a risk that providers may believe the County is biased towards a particular approach or philosophy and feel they have been treated unfairly in an evaluation.

Although all of the other jurisdictions we spoke with view program evaluation as an important accountability tool, most of those counties are in the beginning stages of implementing their evaluation processes. All the counties have established or are in the process of establishing outcome measures for services and often include those outcomes in contracts. But nearly every county surveyed responded that too few resources are dedicated to evaluation.

The County's evaluation strategies compare favorably to other jurisdictions. Clearly, the County's weaknesses include inadequate systems to collect and analyze data. Multiple information systems are in place, but often do not collect data needed. Attempts at improving data collection and analysis are currently under way. Additionally, the Evaluation and Research Unit in the Office of Budget and Quality now has the capacity to conduct comprehensive evaluation of the human service delivery system, as well as departments. A contracting framework would support these accountability efforts.

Multi-year contracts could add stability to the system

Multi-year contracting can improve service delivery because extended funding cycles offer stability to providers. It also permits time for experimentation and development of innovative programs. Research suggests that multi-year contracts of two to five years can bring about effective and equitable human service systems, as well as efficiency. Multi-year contracts are also associated with the partnership model of service delivery.

Multi-year contracts are recognized in the Model Procurement Code of the American Bar Association (ABA) as a common method of contracting. The ABA contends that multi-year contracts with larger,

longer contract awards invite more competition. Additionally, multi-year contracts are very clearly subject to the same appropriation and availability of funds or termination specifications as any other contract.

Wake County uses a partnership continuum model with provider agencies, but not all advocates of partnership suggest multi-year contracts. Some researchers have raised concern about contracting with the same provider year after year. They found there was virtually no opportunity for competition in case studies of contracting agencies, and they discovered it was difficult to withdraw funding from current providers and funnel it to new or other existing providers.

Other jurisdictions use multi-year contracts specifically for the provision of health and human services. Provider stability, continuity in service delivery and development of provider expertise, are primary reasons governments give for multi-year contracts. Some jurisdictions we surveyed found that multi-year contracts work better with some services and some providers than others, but on the whole, they have had a positive effect on the delivery of services. They also discovered that stable services tend to work better under long term contracts, while services that are in developmental or transitional stages are generally placed under short term contracts.

Contract renewal at the end of each fiscal year increases the workload for departments, as well as the County's Contracts Administration staff. In most cases, multi-year contracts would streamline processes and cut paper work considerably. There are legitimate concerns about the use of multi-year contracts. However, mechanisms to protect the County's interests, including non-appropriation and termination clauses, currently exist.

The Purchasing Office and contract administrators support the use of multi-year contracts and program managers throughout the County are open to considering them. Managed care contracts in CFS are currently executed with a self-renewing process. CFS contracting personnel have also encouraged a review of this issue in order to identify other conditions under which multi-year contracts might work better. Community Justice has entered into a pilot project to determine the feasibility of using more multi-year contracts. The Health Department and ADS also occasionally use multi-year contracts. Of 206 human services expenditure contracts over \$50,000 begun in FY 98-99, only nine were multi-year contracts.

Recommendations

- 1) To ensure effective human services delivery and build successful contracting relationships, the County should formalize a strategic framework for contracting the delivery of human services. As part of that framework, the County should:
 - a) Adopt a philosophy, vision, and objectives to be accomplished in a contracted human service delivery system
 - b) Clarify the roles of competition and partnership in the contracting relationship
 - Create procedures that accommodate a partnership approach and ensure fairness
 - Determine the appropriate level of specificity in RFPs and contracts, and provide guidance to departments
 - Determine how often the RFP process needs to occur when partnership is the approach taken, and determine when and if the NOI process might be more appropriate
 - Develop standards for mutual responsibility and accountability
 - c) Define the different approaches to a contracting partnership and the roles of the County and contractor for each
 - Evaluate whether current approaches, such as the lead agency model, are appropriate
 - d) Establish planning principles that reflect the County's philosophy, and develop a comprehensive planning process that includes needs assessment and regular review and evaluation of the system
 - e) Establish and use principles for the contracting-out decision
 - f) Strengthen technical assistance capacity
 - g) Develop a process for conflict resolution
 - h) Strengthen monitoring systems by adapting best practices already found within the County
 - i) Strengthen evaluation systems and clarify appropriate formal evaluation methods

- j) Increase the level of contractor involvement in the development of performance measures, tying those measures to benchmarks and evaluate progress towards those measures and benchmarks
 - k) Increase the level of stakeholder input into system changes and re-design
 - l) Regularly evaluate the County's success in meeting the framework objectives
- 2) To increase stability and accountability in the system, the County should assign a single entity or position the responsibility for implementation and maintenance of the strategic framework.
- a) Responsibility should be accompanied by a high level of authority to ensure organizational buy-in. Responsibility should be at a policy level and not transferred to an operational level.
 - b) Develop the data support necessary to facilitate implementation of the strategic framework.

Appendix

Multnomah County Human Services Contracting Timeline

1980	DSS White Paper clarifies the goal of human services contracting and identifies the organizational mechanisms which allow effective response to human service concerns
1983	Resolution A defined the services to be provided by the County instead of the City of Portland, including health and human services
1989	County strategic planning work session includes exploration of human services contracting processes
1992	Res. 92-151 creates Task Force to review awarding, monitoring, and evaluating human services contracts Res 92-162 integrated the Community Services and Youth/Family Service system
1993	Res. 93-232 directed County departments to establish performance measures for contractors Task Force on Contracting issues comprehensive report to guide service delivery system
1994	Contracts and Evaluations Unit (CEU) created in DCFS
1995	Behavioral Health Division (BHD) begins managing substance abuse contracts for CareOregon and ODS
1996	DCFS Budget identifies CEU as separate function – staff and budget increased
1997	County-wide committee re-designs CEU Chair assigns Department of Support Services to review human services contracts and provider concerns Auditor's Office issues audit <i>Accountability Issues: Multnomah Commission on Children and Families, Contracts Evaluation Unit</i>
1998	Directors of DCFS, Health, Community Justice and ADS (facilitated by DSS staff) draft action plan to address provider concerns County-wide Contracting Issues Steering Committee is chartered, with members of the 4 departments Community Justice creates Contracts Team in Resource Management Unit Aging and Disability Services (ADS) reorganizes, adds Planning Unit, and re-staffs contracting functions
1999	Steering Committee issues final report. Contract Policy Team and Contract Process Teams chartered
2000	Auditor's Office issues audit on Human Services Contracting

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