



State of Delaware

*The Department of Services for
Children, Youth and Their Families*

RFP #15

**Request for Proposals
For Professional Services
Bid under Title 29 Chapter 69 Section 6981**

DESCRIPTION

New Castle County Group Home for Teens

INFORMATIONAL BIDDERS CONFERENCE: Thursday April 21, 2011 @ 2 pm ET

PROPOSALS DUE: Thursday, May 26, 2011 by 2 pm ET

REQUEST FOR PROPOSALS TIMELINE

Questions? Contact: H. Ryan Bolles, Contract Administrator at herbert.bolles@state.de.us
OR (302) 633-2701

**Thursday
4/21/11 @
2 pm ET** There will be a informational bidders' conference held as follows:
Delaware Youth & Family Center
1825 Faulkland Road
Room 199
Wilmington, DE 19805

**Proposals
Due
Thursday
5/26/2011
By 2 pm ET** Sealed Cover Letter and Proposals shall be submitted as follows:
Please submit 1 original paper proposal marked "ORIGINAL" and 6 paper copies marked "COPY". Also, submit 1 electronic copy (CD or DVD) of your proposal along with 1 copy (either electronic or paper) of your most recent business fiscal audit or tax filing.

If you are or plan to be a new business organization without a previous fiscal audit or tax filing please indicate that in your Cover Letter.

Sealed letter and proposals must be delivered by **2:00PM ET on Thursday, May 26, 2011**. Letters and proposals arriving after 2:00pm ET will not be accepted.

For these purposes an electronic copy can be either CD or DVD.

Express Courier or hand deliver the sealed bids as follows:
State of Delaware
Ryan Bolles
1825 Faulkland Road
Administration Building #2, Room 177
Wilmington, DE 19805

A date/time receipt for your records is available upon request.

Although it is not recommended to ship by the US Postal Service, if this is your preferred delivery method, please address as follows:

State of Delaware
Ryan Bolles, Grants & Contracts
1825 Faulkland Road
Wilmington, DE 19805

The proposing firm bears the risk of delays in delivery. The contents of any proposal shall not be disclosed to competing entities during the negotiation process.

As soon as possible The Department will work diligently to complete the proposal review and selection process in an expeditious fashion. Bidders may be asked to be available to respond to questions from the review panel by telephone or in person, if necessary. However, proposals are expected to stand alone based upon the written information submitted.

Minority or Women Owned Business Enterprise?
Visit <http://gss.omb.delaware.gov/omwbe/index.shtml> to register with the State of Delaware.

Group Care

PROGRAM OVERVIEW

PURPOSE

The Department of Services for Children, Youth and Their Families, Division of Family Services (DFS) is requesting proposals for the purpose of awarding funds to public or private agencies to provide Group Care in New Castle County ONLY.

The Department recognizes that children with histories of abuse, neglect, abandonment, delinquency and other serious trauma, exhibit a wide range of behavioral and emotional issues and needs. The Department is developing a seamless system of care philosophy that integrates the planning and delivery of services. The objective is to have an integrated service delivery system that thinks of the child first, ensures that all children have safe, nurturing places to live and grow, views families as active partners in service delivery, builds on strengths in a culturally competent manner, and provides informal supports and formal service to address the challenges the children and families face. Bidders should be able to demonstrate in their proposal that they understand the system of care philosophy and plans to adapt such philosophy in their service delivery.

Group care is designed for those children who at time of placement cannot manage intimate family relations. These children and youth can typically manage for a period of time in a more structured group setting until they are ready for and can function in a family. These children and adolescents may have behavioral or emotional disturbance or mental health problems that may have necessitated residential treatment. Adjudicated youth that have completed their residential treatment goals or program requirements and require an intensive step down service may also be included in this target population. These youth may be returning from residential/institutional care after receiving maximum benefits from the placement facility. (Sex offenders and adolescents with conduct disorders will fall into this category). The child's behaviors are such that the professional staff feels he/she is in need of treatment in a group home setting in order to solidify the gains made.

AVAILABILITY OF FUNDS

The Division has approximately \$816,918 available for this service.

Bidders shall outline how many persons will be served and how the total monies will be spent. ALL bidders are required to include with their bid a completed DSYCF Budget Form supported by a budget narrative and salary schedule. Board payments and program/administrative costs should be detailed and totaled in the unit cost.

The preferred payment methodology is "unit cost"; however, other payment methodologies may be considered. Bidders will propose the number of children who will be served and the services that will be provided. Bidders will also discuss the methodology used to arrive at the worker to youth caseload ratio and the cost impact. Bidders must be able to discuss the capability of increasing slots if additional money becomes available.

This group home location is preferred in Northern New Castle County; however the bidder can choose another location within New Castle County. We encourage bidders to be innovative and creative in their program approach to leverage resources and collaborate with community services to affect positive outcomes for permanency, well-being and successful transitions to adult support systems. Evidence based alternative settings and program designs with supporting budget detail are welcome. Successful bidders will meet the needs of youth within the framework of federal requirements and standards.

PERIOD OF AGREEMENT

The bidding cycle will be a three year period. Contracts will be for one year beginning July 1, 2011 and ending June 30, 2012. Contracts will be renewable annually with an expected re-bid for this service to occur in fiscal year 2015. However, DSCYF reserves the right to extend this contractual agreement for two additional years.

BACKGROUND

The Department of Services for Children, Youth, and Their Families (DSCYF) has as its Vision “Our Children, Our Future, Our Responsibility”. The mission of the Delaware Children's Department is to assist children, youth and families in making positive changes through services that support child and public safety, behavioral health and individual, family and community well-being. We wish for every child to be safe, have a permanent family, grow their self-esteem and have a sense of hope. The mission of the Division of Family Services is “To promote the safety and well-being of children through prevention, protection and permanency.”

This program will enable the Department to maintain our placement continuum, and provide case planning, and social services to children requiring group care. In addition the program needs to help facilitate a child's return home or develop alternative permanency resource.

The successful bidder must be licensed in the State of Delaware as a Residential Child Care Facility to operate a group home by the time of contract execution.

The successful bidder will provide social services to children accepted for group care placement and to their families for the purposes of permanency planning including reunification with family or relatives.

The successful bidder will operate on a “No Deny/No Dismiss” policy when the child meets the program requirements.

GOALS AND OBJECTIVES:

Goals:

- ◆ Provide a planned transition for youth who are ready to step down from residential treatment placement but cannot yet be served in a family foster home
- ◆ Provide an important system of care service in the service continuum of care
- ◆ Serve as an alternative placement for children/youth whose needs require more treatment, structure, and supervision than family foster care can provide
- ◆ To promote more efficient utilization of the Department's system of care and treatment services by providing a less restrictive and less costly community-based residential alternative for youth who have derived maximum benefits from residential treatment programs.
- ◆ Increase educational achievement
- ◆ Improve well-being and quality of life
- ◆ Reduce reabuse rates
- ◆ Reduce recidivism
- ◆ Improve functioning in home, school and community
- ◆ Serve youth "at risk" of residential treatment and for whom admission to this program may avert the need for deeper levels of treatment
- ◆ Improve youth independent living competencies; prepare youth for successful transitions to adulthood
- ◆ Assist youth with obtaining the education, training, and services necessary to secure employment

Objectives:

- ◆ Ensure that every youth receives the placement that meets he needs
- ◆ Provide alternative services that serve children based on their current needs
- ◆ Act as a change agent to facilitate children's return to less restrictive (foster family care) placement when it is in the child's best interest

TARGET POPULATION

The target population will be eight to ten males or females between the ages of 13 and 17 years old. These teens which have been abused or neglected exhibit challenging behaviors, or have a history of behavioral and emotional issues that may include but are not limited to the following:

- ◆ May be new to foster care with no prior history
- ◆ May be a victim of sexual abuse
- ◆ May be adjudicated delinquent, including sex offenses
- ◆ May have a history of suicidal ideation
- ◆ History of failed placements in relative and/or foster care
- ◆ May have low-level assault charges related to family conflict (i.e. assaultive within the family but not in other settings)
- ◆ May have a DSM-IV diagnosis that requires mental health services including psychotropic medication
- ◆ May have a history of tobacco, alcohol, or other drug use or dependence

Youth served by this program may be active with all three service divisions of the Department (Prevention and Behavioral Health Services, Youth Rehabilitative Services, and Family Services). The preferred service delivery model will accommodate multi-disciplinary team decision making and integrated case planning for youth shared by more than one Division.

All youth served by this program are to attend public schools, alternative education programs or be involved in a job or vocational program. Residents under school expulsion or suspension will require full time supervision and preparatory programming for school or vocational placement.

SERVICES REQUESTED

Residential Care

This service is used when the Division has determined that group care placement is necessary for the safety and well being of a youth age 13 through 17 years, and that it is the least restrictive setting in which the youth's needs may be met. The Division may refer to the group care provider any such child for whom it has legal responsibility and falls within the parameters of the population to be served.

Case Planning

The Department is developing a seamless system of care philosophy that integrates the planning and delivery of services. The objective is to have an integrated service delivery system that is child centered, ensures that all children have safe, nurturing places to live and grow, views families as active partners in service delivery, builds on strengths in a culturally competent manner, and provides informal supports and formal service to address the challenges the children and families face.

The successful bidder will assign a primary case manager for each resident. The primary case manager will be responsible for case planning with the family and the youth and facilitate services in accordance with the case plan. DFS will be responsible for monitoring the implementation of the case plan. The contractor will either use DFS planning documents or create their own which must be approved by DFS. The Contractor will provide case management services focused primarily upon assuring implementation of each youth's treatment plan, via coordination of efforts of all agencies and school involved with a youth.

An initial plan, which addresses both the child and families immediate needs, including visitation, will be completed within 5 days of the child's placement. The successful bidder will complete the initial Plan for Child in Care within 30 days of the child's placement. Planning is a collaborative effort that includes the participation of the contractor, the DFS worker, the child, and the child's family. The plan should include the child's treatment needs and the strategies that will be used to meet those needs. In addition, the following areas should be addressed in the plan: medical, dental, educational/vocational, social/emotional, behavior management, preparation for independent living, visitation, efforts toward locating a permanent home, and the child's safety in the home. The plan must be reviewed and updated every 6 months.

The successful bidder's staff will prepare necessary materials for and participate in all court proceedings and case reviews pertaining to the child.

The successful bidder will prepare a summary of the resident's stay when the permanency goal becomes TPR and adoption within 30 days of the goal change. This summary will include dynamics and characteristics to facilitate locating an adoptive home.

The successful bidder will maintain a developmental frame of reference, and will actively facilitate the attainment of developmental milestones, and the accomplishments of developmental tasks by the youth in care.

In the context of building effective life skills, the successful bidder will provide evidence based, structured opportunities for the acquisition of skills and competencies that will foster the amelioration of individual presenting problems. An evidence based behavior management system will be used to systematically address problem behaviors, and to teach youth new alternative skills and behaviors.

The program will be characterized by a high degree of structure, order, and predictability with regard to the routines of daily living, the management of behavior, and the provision for basic needs. It will also feature monitoring and management of the environment stimuli to which the youth are subject.

Careful monitoring and management of peer group interactions to promote social learning and minimize the negative effects of peer influence will characterize the program.

The program will feature close supervision of the youth consistent with expectation that the youth served will continue to present fairly durable patterns of maladaptive or problematic behavior. However, the program shall also have provisions for the systemic reduction of the level of supervision of individual youth as their maturation and development permit, in order to foster the youth's progress toward independence.

The successful bidder will develop a close working relationship with the public schools and day treatment programs wherein residents are receiving educational services, in order to provide the support necessary to maintain the residents in the least restrictive educational environment possible. The successful bidder will collaborate with the Division of Prevention and Behavioral Health when youth are open for mental and behavioral health services.

Consultation with a licensed behavioral health professional must be available and used to augment or improve treatment strategies in use with individual residents, and to facilitate management of behavioral crisis. Placement stability is vital to these youth; the successful bidder will provide de-escalation and crisis management interventions to maintain placement stability.

The successful bidder will have the capacity to support youth in their adjustment to, and development within the community. To that end, it will provide opportunities for residents to participate in age-appropriate community activities, including athletics, scouting, school clubs/activities, organized outings and other development and constructive leisure time activities.

PERFORMANCE MEASURES

- 100% of youth will be safe in the facility. The number of substantiated institutional abuse reports will measure this.
- Placement stability will be maintained for 90% of residents. Planned exits to permanency settings (adoption, guardianship, return to family) will not be counted against the standard.
- 100% of youth in group care will transition to the most appropriate next placement.
- For 100% of youth who have families, the program will ensure appropriate family involvement based on each individual child's needs.
- 100% of the residents receive independent living services from the Contractor and will receive services from independent living service providers.
- 90% compliance with prescribed parent/sibling visitation schedule.

The following measures will show increased success in school.

- 90% of the youth in the program will meet or exceed attendance requirements of the Department of Education.
- 85% of the youth in the program will participate in one or more extra-curricular activities.

- After establishing a baseline either by obtaining relevant information from previous local school district or by monitoring school performance during the first marking period while in the program, the following outcomes will be met:
 - 1) 75% reduction of behavioral incidents and suspensions.
 - 2) 100% of children placed with Contractor will be promoted to the next grade level.

INCIDENT REPORTING

Contractor will follow the required Reportable Events protocol per the Operating Guidelines in effect for the FY12 Contracts (found at <http://kids.delaware.gov/> then click on Contracts). Specifically, the successful bidder will report the following sub-set of incidents to the Department Foster Care Program Manager. All incidents will be reported immediately. Incident report forms will be submitted within 24 hours of the incidents. Incidents requiring reporting are:

- All deaths of Department clients.
- Any emergency hospitalizations for unanticipated illness, physical injury or attempted suicide, or any hospital admission of an active child in which the hospital staff reports suspected abuse/neglect to the Division of Family Services.
- Institutional abuse resulting in arrest.
- Any child on runaway

The Department will provide the Contractor with Incident Reporting forms.

PROJECT ASSESSMENT

Internal review and evaluation of the project is the responsibility of the Contractor. In addition, the agency will accept and cooperate with monitoring and evaluation procedures required by the Department, providing that normal safeguards for client confidentiality are maintained. The Contractor will send monthly attendance sheets with the contract bill for services to the Contract Manager which lists each child, date of birth, date of placement, level of care, status of activity with the family, date of discharge and reason for discharge, days of service per month and year to date.

The Program Director will meet quarterly with the Division of Family Services Contract Manager to address placement issues, problems, areas of collaboration, etc.

The Contractor will submit semi-annual (by Jan 30th, July 30th respectively) reports on outcome performance measures. Failure to submit reports may result in denial of payment.

PROPOSAL EVALUATION CRITERIA

1. Compliance with requirements as states in the RFP (20%)
 - a. Are the objectives stated clearly? Are they specific, measurable, and feasible?
 - b. Do the objectives support and enhance the goals and objectives established by the Department?
 - c. Is the budget submitted on the Department’s format (Budget, Budget Narrative, Salary Schedule)?

2. Organizational capacity and capability to meet requirements to provide service described (ie. Staffing, financial condition, etc) (10%)
 - a. Does the Bidder organization and/or sponsoring agency have the capacity to carry out the project described?

3. Service Delivery/Program Methods (20%)
 - a. Are the mechanisms described for providing service timely and consistent with a conscientious delivery of service?
 - b. Does the proposal clearly describe the nature of the service and how, where, and by whom it will be delivered?

- c. Can the methods described for delivering the service support the achievement of the Department and agency objectives as stated?
 - d. Are the time frames given for accomplishment realistic?
4. Service Delivery/Program Monitoring and Evaluation (20%)
- a. Does the proposal contain adequate procedures for assessing the effectiveness of the project?
 - b. Does the proposal adequately describe the agency's procedures for monitoring service. Is it clear how the agency will document receipt of the services by the target population?
 - c. Does the data presented demonstrate the quality and effectiveness of the service?
 - d. Does the agency require any form of regular internal or peer review of cases (when applicable)?
5. Experience/Demonstrated Ability and Reputation (15%)
- a. History of the organization with DSCYF and/or other State agencies with this or other services (ie. accessibility, responsiveness, and effectiveness).
6. Budget (15%)
- a. Is the budget reasonable; i.e., can the objectives be accomplished with the funding available?
 - b. Has the Bidder clearly explained the cost of the budget items?
 - c. Has the Bidder secured matching funds (*in-kind or cash assistance*) to support the project?

APPENDIX A:

BIDDER'S FORMS AND INSTRUCTIONS

DEPARTMENT OF SERVICES FOR CHILDREN, YOUTH & THEIR FAMILIES

Submission Instructions

Failure to follow Departmental procedures may disqualify an Bidder organization.

I. FORMAT

Proposals must be printed on 8 1/2" x 11" paper and should be formatted with 1" margins using size 12 Times New Roman font and double sided whenever possible. To be considered all proposals must be submitted in writing and respond to the items outlined in this RFP. Videos will not be presented to the panel. Binding, color graphics and extensive attachments are unnecessary.

To be considered, vendors must submit a complete response to this RFP. An official authorized to bind the vendor to the proposal must sign proposals. The successful vendor must be in compliance with all licensing requirements of the State of Delaware.

Vendors may be called, only at the discretion of the issuing office, for an interview concerning their proposal. The State reserves the right to reject any non-responsive or non-conforming proposals.

II. QUESTIONS

All questions regarding this request should be directed to H. Ryan Bolles at Herbert.Bolles@State.DE.US or at 302-633-2701. Content questions will be forwarded to the appropriate DSCYF program administrators. Updates and answers to significant content questions will be posted on the State of Delaware Bid Solicitation Portal web site (www.bids.delaware.gov). Please check back for updates regularly.

III. ETHICS LAW RESTRICTIONS

Neither the Contractor, including its parent company and its subsidiaries, nor any subcontractor, including its parent company and subsidiaries, may engage, directly or indirectly, any person who, while employed by the State of Delaware during two years immediately preceding the date any Contract entered into as a result of this request for proposals, gave an opinion, conducted an investigation, was directly involved in, or whom otherwise was directly and materially responsible for said service described herein in this request for proposal in the course of official duties as a state employee, officer or official. The Department shall determine, at its sole discretion, whether a person was directly and materially responsible for said program, project, or contract or any other program, project, or contract related to the service described in any contract entered into as a result of this request for proposals.

IV. PROPOSALS BECOME STATE PROPERTY

All proposals become the property of the State of Delaware and will not be returned to the contractor. Proposals to the State may be reviewed and evaluated by any person other than competing vendors at the discretion of the State. The State has the right to use any or all ideas presented in reply to this RFP. Selection or rejection of the proposal does not affect this right.

V. RFP AND FINAL CONTRACT

The contents of the RFP may be incorporated into the final contract and become binding upon the successful bidder. If the bidder is unwilling to comply with the requirements, terms, and conditions of the RFP, objections must be clearly stated in the proposal. Objections will be considered and may be subject to negotiation at the discretion of the State.

VI. PROPOSAL AND FINAL CONTRACT

The content of each proposal will be considered binding on the bidder and subject to subsequent contract confirmation if selected. The content of the successful proposal may be included by reference in any resulting contract. All prices, terms, and conditions contained in the proposal shall remain fixed and valid

for ninety (90) days after the proposal due date. Contract negotiations will include price re-verification if the price guarantee period has expired.

VII. MODIFICATIONS TO PROPOSALS

Any changes, amendments or modifications to a proposal must be made in writing, submitted in the same manner as the original response and conspicuously labeled as a change, amendment or modification to a previously submitted proposal. Changes, amendments or modifications to proposals shall not be accepted or considered after the hour and date specified as the deadline for submission of proposals.

VIII. COST OF PROPOSAL PREPARATION

All costs of proposal preparation will be borne by the bidding contractor. All necessary permits, licenses, insurance policies, etc., required by local, state or federal laws shall be provided by the contractor at his/her own expense.

IX. EVALUATION REQUIREMENTS AND PROCESS

The Proposal Review Committee shall determine the firms that meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §§ 6981, 6982. The Committee may interview at least one of the qualified firms. The Committee may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The Committee shall make a recommendation regarding the award to the contracting Division Director of this RFP, who shall have final authority, subject to the provisions of this RFP and 29 Del. C. § 6982 to award a contract to the successful firm in the best interests of the State of Delaware. The Proposal Review Committee reserves the right to award to one or more than one firm, in accordance to 29 Del. C. § 6986.

The Proposal Review Committee shall assign up to the maximum number of points as stated in this Section for each Evaluation Item to each of the proposing firms. All assignments of points shall be at the sole discretion of the Proposal Review Committee.

The Proposal Review Committee reserves the right to:

- Select for contract or for negotiations, a proposal other than that with the lowest costs.
- Accept/Reject any and all proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all contractors during the review and negotiation.
- Negotiate any aspect of the proposal with any firm and negotiate with more than one firm at the same time. The Department reserves the right to contract with more than one vendor.

All proposals shall be evaluated using the same criteria and scoring process. Bidders may be scheduled to make oral presentations in support of their written proposals. The Review Panel will assess the strength and clarity of any oral presentation and combine the evaluations of both written and oral presentations (when applicable) in determining the overall evaluation of the proposal and in making recommendations. A summary of the Panel's recommendations will be available for review upon request.

X. REJECTION OF PROPOSALS

DSCYF reserves the right to reject any/all proposals received in response to this RFP. Any information obtained will be used in determining suitability of proposed support.

Any proposal called "not accepted" will mean that another proposal was deemed more advantageous or that

all proposals were not accepted. Respondents whose proposals were not accepted will be notified as soon as a selection is made, or if it is decided, that all proposals are not accepted.

Any proposal failing to respond to all requirements may be eliminated from consideration and declared not accepted.

The proposal must conform to the requirements of the Proposal Procedures and the Required Information Sections of the RFP. The State specifically reserves the right to waive any informalities or irregularities in the proposal format.

XI. RESERVED RIGHTS OF THE DEPARTMENT OF SERVICES FOR CHILDREN, YOUTH AND THEIR FAMILIES

Notwithstanding anything to the contrary, the Department reserves the right to:

- o Reject any and all proposals received in response to this RFP
- o Select for contract or for negotiations a proposal other than that with the lowest costs
- o Waive or modify any information, irregularities, or inconsistencies in proposals received
- o Consider a late modification of a proposal if the proposal itself was submitted on time; and, if the modifications make the terms of the proposal more favorable to the Department, accept such proposal as modified
- o Negotiate as to any aspect of the proposal with any proposer and negotiate with more than one proposer at the same time
- o If negotiations fail to result in an agreement within a reasonable period of time, terminate negotiations and select the next most responsive proposer, prepare and release a new RFP, or take such other action as the Department may deem appropriate
- o Negotiate a renewal of the contract resulting from this RFP with appropriate modifications.

XII. STANDARDS FOR SUBCONTRACTORS

The prime contract with the contractor will bind sub or co-contractors to the terms, specifications, and standards of this RFP, resulting prime contracts, and any subsequent proposals and contracts. All such terms, specifications, and standards shall preserve and protect the rights of the Department under this RFP with respect to the services to be performed by the sub or co-contractor. Nothing in the RFP shall create any contractual relation between any sub or co-contractor and the Department of Services for Children, Youth and Their Families.

All sub or co-contractors must be identified in the Contractor's proposal. The proposal's workplan must also state which tasks the sub or co-contractor will perform. Approval of all sub and/or co-contractors must be received from the Department prior to the contract negotiation.

The prime bidder will be the State's primary contractor.

XIII. CONTRACT TERMINATION CONDITIONS

The State may terminate the contract resulting from this RFP at any time that the Contractor fails to carry out its provisions or to make substantial progress under the terms specified in this request and the resulting proposal.

The State shall provide the Contractor with 15 days notice of conditions which would warrant termination. If after such notice the Contractor fails to remedy the conditions contained in the notice, the State shall issue the

Contractor an order to stop work immediately and deliver all work and work in progress to the State. The State shall be obligated only for those services rendered and accepted prior to the date of notice of termination.

With the mutual agreement of both parties, upon receipt and acceptance of not less than 30 days written notice, the contract may be terminated on an agreed date prior to the end of the contract period without penalty to either party.

Notwithstanding any other provisions of this contract, if funds anticipated for the continued fulfillment of this contract are at any time not forthcoming or insufficient, through the failure of the State of Delaware to appropriate funds or through discontinuance of appropriations from any source, the State of Delaware shall have the right to terminate this contract without penalty by giving not less than 30 days written notice documenting the lack of funding.

XIV. NON-APPROPRIATION

In the event that the State fails to appropriate the specific funds necessary to continue the contractual agreement, in whole or in part, the agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

XV. FORMAL CONTRACT AND PURCHASE ORDER

The successful firm shall promptly execute a contract incorporating the terms of this RFP within twenty (20) days after the award of the contract. No bidder is to begin any service prior to receipt of a State of Delaware Purchase Order signed by two authorized representatives of the agency requesting service, properly processed through the State of Delaware. The Purchase Order shall serve as the authorization to proceed in accordance with the bid specifications and the special instructions, once the successful firm receives it.

XVI. INDEMNIFICATION

By submitting a proposal, the proposing firm agrees that in the event it is awarded a contract, it will indemnify and otherwise hold harmless the State of Delaware, DSCYF, its agents, and employees from any and all liability, suits, actions, or claims, together with all costs, expenses for attorney's fees, arising out of the firm, its agents and employees' performance of work or services in connection with the contract, regardless of whether such suits, actions, claims or liabilities are based upon acts or failures to act attributable, in whole or in part, to the State, its employees or agents.

XII. LICENSES AND PERMITS

In performance of this contract, the firm is required to comply with all applicable federal, state and local laws, ordinances, codes, and regulations. The cost of permits and other relevant costs required in the performance of the contract shall be borne by the successful firm. The firm shall be properly licensed and authorized to transact business in the State of Delaware as defined in Delaware Code Title 30, Sec. 2502.

XIII. INSURANCE

- A. As a part of the contract requirements, the contractor must obtain at its own cost and expense and keep in force and effect during the term of this contract, including all extensions, the insurance specified below with a carrier satisfactory to the State.
 - 1. Workers' Compensation Insurance under the laws of the State of Delaware and Employer's Liability Insurance with limits of not less than \$100,000 each accident, covering all Contractors' employees engaged in any work hereunder.

2. Comprehensive Liability -Up to one million dollars (\$1,000,000) single limit per occurrence including:
 - a. Bodily Injury Liability -All sums which the company shall become legally obligated to pay as damages sustained by any person other than its employees, caused by occurrence.
 - b. Property Damage Liability -All sums which the company shall become legally obligated to pay as damages because of damages to or destruction of property, caused by occurrence.
 - c. Contractual liability, premises and operations, independent contractors, and product liability.
 3. Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury or death, and \$100,000 as to property damage.
- B. Forty-five (45) days written notice of cancellation or material change of any policies is required.

XIX. NON-DISCRIMINATION

In performing the services subject to this RFP, the firm agrees that it will not discriminate against any employee or applicant for employment because of race, creed, color, sex or national origin. The successful firm shall comply with all federal and state laws, regulations and policies pertaining to the prevention of discriminatory employment practice. Failure to perform under this provision constitutes a material breach of contract.

XX. COVENANT AGAINST CONTINGENT FEES

The successful firm warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement of understanding for a commission or percentage, brokerage or contingent fee excepting bona-fide employees and/or bona-fide established commercial or selling agencies maintained by the bidder for the purpose of securing business. For breach or violation of this warranty, the State shall have the right to annul the contract without liability or at its discretion and/or to deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

XXI. CONTRACT DOCUMENTS

The RFP, the Purchase Order, and the executed Contract between the State and the successful firm shall constitute the Contract between the State and the firm. In the event there is any discrepancy between any of these contract documents, the following order of documents governs so that the former prevails over the latter: Contract, Contract Amendments, RFP, Purchase Order and Vendor Proposal. No other documents shall be considered. These documents contain the entire agreement between the State and the firm.

XXII. APPLICABLE LAW

The Laws of the State of Delaware shall apply, except where Federal law has precedence. The successful firm consents to jurisdiction and venue in the State of Delaware.

XXIII. SCOPE OF AGREEMENT

If the scope of any provision of this Contract is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the contract shall not thereby fail, but the scope of such provisions shall be curtailed only to the extent necessary to conform to the law.

PROPOSAL SECTIONS:

APPLICATION FORMS

Each Bidder **shall** complete the following forms which are included:

- o Organization Fact Sheet (**please insert as page 1 of proposal**)
- o Assurances
- o Certification, Representation, and Acknowledgements
- o Budget Forms (**Budget Forms available in Excel format via the web at www.kids.delaware.gov scroll and click on “Contracts” under “Information”**)
- o Staff Qualifications Summary

Failure to complete these forms may seriously affect the ability of the review panel to evaluate the Bidder's proposal and may be a factor in proposal rejections.

NARRATIVE DESCRIPTION OF THE PROJECT

As defined above in RFP body.

DESCRIPTION OF THE ORGANIZATION

The purpose of this section is to assist the Review Committee to determine the ability of the organization to provide the services described in the application. The response should contain at a minimum the following information:

- o Brief history of the organization including accreditation status if applicable
- o Bidder's experience, if any, providing similar service.

This section should not extend beyond three (3) pages (excluding an organizational chart if one is attached).

ORGANIZATION REFERENCES

- o Bidding agency shall provide a list of all State and/or Federal contracts currently held or held in the past 3 years along with a contact name and phone number for the State and/or Federal agency

BUDGET SECTION

The Review Committee will examine all budget materials. Costs presented in the proposal will be considered as binding for successful applications. Cost reimbursable proposal shall contain a Budget Section supporting all elements of the total bid cost which has the following:

- o A **Budget Form and Salary Schedule**, which are attached in the request for proposal package, are to be filled out by the Bidder (also available in Excel format @ www.kids.delaware.gov scroll and click on “Contracts” under “Information”)
- o A **Budget Narrative** which details the assumptions used in preparing the budget (See instructions included with form.)

All costs bid are to be fully-loaded. There shall be no additional costs beyond the bid price.

FOR YOUR RECORDS

One component of every DSCYF contract is the “Statement of Agreement”. This document spells out the legal obligations under which both the DEPARTMENT and the CONTRACTOR must operate. The document is included below as a courtesy for your review as you propose entering into a contractual agreement with the Department. This document is part of all contracts as they are being routed for signature to the successful bidders.

STATEMENT OF AGREEMENT THE DEPARTMENT OF SERVICES FOR CHILDREN, YOUTH AND THEIR FAMILIES

WHEREAS, the DEPARTMENT has determined that:

The services described herein are required by the DEPARTMENT;

The CONTRACTOR possesses the necessary experience and skills and is equipped to efficiently and effectively perform any duties and assignments required to provide such services;

The CONTRACTOR is willing to provide such services and has provided a proposed budget or unit cost schedule for these services;

The CONTRACTOR’s proposal and budget or unit cost schedule are acceptable;

NOW, WHEREFORE, in consideration of the foregoing recitals and mutual covenants contained herein, the PARTIES do hereby agree to the following:

ARTICLE I: DUTIES OF THE PARTIES

A. Duties of the DEPARTMENT

The DEPARTMENT shall:

1. Contract Manager. Identify a Contract Manager who shall be the primary program liaison with the CONTRACTOR on behalf of the DEPARTMENT.
2. Policies and Procedures. Provide the CONTRACTOR with the policies, reimbursement and operating guidelines and any other written documentation held or developed by the DEPARTMENT that the CONTRACTOR may reasonably request in order to perform its duties hereunder.

B. Duties of the CONTRACTOR

The CONTRACTOR shall:

1. Contract Manager. Identify a Contract Manager who shall be the primary contact with the DEPARTMENT on behalf of the CONTRACTOR for this Contract.
2. Program of Services (and/or Products). Provide the program of services (and/or products) as set forth in Attachment A, Description of Services, which is made a part of this Contract. The program operated by the CONTRACTOR pursuant to this Contract must satisfy all mandatory State and Federal requirements. In providing said services under this Contract the CONTRACTOR agrees to conform to service eligibility priorities established by the DEPARTMENT.
3. Satisfy Licensure, Certification, and Accreditation Standards. Comply with all applicable State and Federal licensing standards and all other applicable standards as required by this Contract, to assure the quality of services provided under this Contract.
 - a. Compliance with Operating Guidelines. The CONTRACTOR agrees to abide by the DEPARTMENT's Operating Guidelines and to operate in accordance with procedures delineated therein. (see www.kids.delaware.gov/ click *Contracts*)
 - b. Notification of Status Change. The CONTRACTOR shall immediately notify the DEPARTMENT in writing of any change in the status of any accreditations, regulations, professional, program or other licenses or certifications in any jurisdiction in which they provide services or conduct business. If this change in status is the result of the CONTRACTOR’s accreditation, licensure, or certification being suspended, revoked, or otherwise impaired in any jurisdiction, the CONTRACTOR understands that such

- change may be grounds for termination of the Contract. CONTRACTOR shall notify the DEPARTMENT of any criminal charges against or criminal investigations of CONTRACTOR.
- c. By signature on this contract, the CONTRACTOR represents that the CONTRACTOR and/or its Principals, along with its subcontractors and/or assignees under this contract, are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded for procurement or non-procurement activities by any Federal government department or agency.
 4. Compliance with Laws and Regulations. Be responsible for full, current, and detailed knowledge of and compliance with published Federal and State laws, regulations, and guidelines (ie, Health Insurance Portability and Accountability Act (HIPAA) of 1996) pertinent to discharging the CONTRACTOR's duties and responsibilities hereunder.
 - a. Compliance with Drug-Free Work Place Act of 1988. If applicable, the CONTRACTOR agrees to comply with all the terms, requirements, and provisions of the Drug-Free Work Place Act of 1988 as detailed in the Governor's Certification Regarding Drug-Free Work Place Requirements that is available from the DEPARTMENT upon request.
 - b. Compliance with Section 6032 of the Deficit Reduction Act of 2005 (Public Law 109-171). (see www.kids.delaware.gov click *Contracts*)
 5. Assistance with Federal Entitlement Revenue Maximization. In entering into this contract, the CONTRACTOR understands that, as a provider of services to children, they may be subject to the requirements of various Federal entitlement programs included in the Department's Cost Recovery initiative. The CONTRACTOR hereby agrees to assist the DEPARTMENT's Cost Recovery Unit in its efforts to recover Federal funds (i.e., Medicaid and/or Title IV-E). The DEPARTMENT reserves the right to recover from the CONTRACTOR an amount equal to any Federal Medicaid or Title IV-E reimbursements that are disallowed as a result of the CONTRACTOR's violations of the terms of this contract. Information that may be required by the DEPARTMENT's Cost Recovery Unit includes, but is not limited to:
 - a. Proof of licensure, certification, accreditation, etc. or other information as may be necessary to support enrollment in the Delaware Medical Assistance Program.
 - b. If applicable, a list of the usual and customary charges charged to the general public for the same type(s) of service purchased by the DEPARTMENT.
 - c. If enrolled in the Medicaid program of another state or the Federal Medicare program: the rates paid by those programs for the type(s) of service purchased by the DEPARTMENT, and notification of any current or prior sanctions or requests or pending requests for sanctions by the Centers for Medicare and Medicaid Services (CMSS), U.S. DHHS.
 - d. Identification of the proportion of any expenses, whether unit cost or cost reimbursable, charged to the DEPARTMENT that cover the cost of educational services (i.e. teacher salaries, textbooks, etc.).
 - e. If the CONTRACTOR is a non-accredited provider of residential mental health or behavioral rehabilitative services, the CONTRACTOR shall cooperate with the DEPARTMENT in identifying the proportion of expense incurred by the DEPARTMENT that may be covered by the Medicaid or Title IV-E (room and board) programs.
 - f. When appropriate, documentation including certificates of medical necessity related to substantiating the provision of services to individual children.
 - g. If the CONTRACTOR is a provider of residential mental health, or behavioral rehabilitative services, the CONTRACTOR shall provide required information such as professional credentials and NPIs of attending physicians and/or other health professionals involved in treating DEPARTMENT children.
 - h. Where appropriate, residential CONTRACTORS will participate in a time study process every three years to identify Medicaid reimbursable portions of services rendered to the DEPARTMENT's children in the CONTRACTOR's care.
 6. Confidentiality. Establish appropriate restrictions and safeguards against access by unauthorized personnel to all data and records. Confidentiality of all data, records, and information obtained by the CONTRACTOR shall be governed by Federal and State statutes and regulations, and DEPARTMENT policy.
 7. Cooperation with Third Parties. Cooperate fully with any other party, contractor, consultant, or agency identified by the DEPARTMENT in writing as necessary to the performance of this Contract.
 8. Independent Contractor Status. Recognize that it is operating as an independent contractor and that it solely is liable for any and all losses, penalties, damages, expenses, attorney's fees, judgments, and/or settlements incurred by reason of injury to or death of any and all persons, or damage to any and all property, of any nature, arising out of the CONTRACTOR's negligent performance under this Contract, and particularly

without limiting the foregoing, caused by, or resulting from, or arising out of any act or omission on the part of the CONTRACTOR in its negligent performance under this Contract. The CONTRACTOR agrees to save, hold harmless and defend the DEPARTMENT from any liability that may arise as a result of the CONTRACTOR's negligent performance under this Contract.

9. Insurance. Recognize that it can either elect to be self-insured or to carry professional liability insurance to deal with the above-described liability; provided, however, that proof of sufficient insurance or proof of sufficient assets for self-insurance may be required by the DEPARTMENT, upon request at any time, as a condition of this Contract.
10. Grievances. Establish a system through which recipients of services under this Contract may present grievances about said services or the operation of the service program. The CONTRACTOR shall advise recipients of this right and shall also advise applicants and recipients of their right to appeal the grievance to the DEPARTMENT.
11. Best Efforts for Supplies and Materials at Lowest Cost. The CONTRACTOR shall use its best efforts to obtain all supplies and materials incidental for use in the performance of this Contract at the lowest practicable cost and to contain its total costs where possible by competitive bidding whenever practical.

C. Duties of Both PARTIES

1. Communication. Formal communication concerning the Contract, program activities, treatment methods, reports, etc., shall be made via written correspondence between the Contract Managers of both PARTIES. Communications of a contractual nature shall be accomplished via written correspondence between designated officials of both PARTIES. Each PARTY shall designate, in writing, its authorized official representative to the other PARTY prior to the effective date of the Contract. Each PARTY shall notify the other, in writing, of any change of their official representative.

ARTICLE II: PAYMENT

- A. Contract Subject to Availability of Funds. This Contract is entered into subject to the availability of funds for the services covered by the Contract. In the event funding to the DEPARTMENT is not available or continued at an aggregate level sufficient to allow for purchase of the indicated quantity of agreed upon services, the obligations of each PARTY under this Contract shall thereupon be terminated. Any termination of this Contract resulting therefrom shall be without prejudice to any and all obligations and liabilities of either PARTY already accrued prior to such termination.
- B. Reimbursement Amount. The DEPARTMENT agrees to pay the CONTRACTOR as described in Attachment B.
- C. Requirement of Purchase Order. This Contract is subject to the CONTRACTOR's receipt of a Purchase Order, approved by the Department of Finance. The State of Delaware shall not be liable for expenditures made or services delivered prior to the CONTRACTOR's receipt of the Purchase Order.
- D. Withholding of Payments to the Contractor. The DEPARTMENT may throughout the contract period withhold payment for failure to provide goods or perform services as specified under this contract. The DEPARTMENT has a right to recovery and a right to withhold payment in the event of the CONTRACTOR's failure to deliver services or complete necessary records or deliverables. In the event of CONTRACTOR failure in the regular course of business and normal periodic billing to timely and adequately provide record documentation of services provided under this Contract, the DEPARTMENT may withhold the final amount of a billing or the specified portion of billing relating to such services until such adequate record documentation is received by the DEPARTMENT, provided that such documentation is received within a reasonable time following normal periodic billing and record documentation in the regular course of business for the services provided. In no event however shall the Department be liable for services provided for which a) the CONTRACTOR has not provided timely and adequate record documentation during the regular course of business and periodic billing, and b) the DEPARTMENT has thereafter reasonably requested or demanded adequate record documentation or billing for any services provided for a period of time at issue, and c) the CONTRACTOR has thereafter unreasonably delayed in providing billing or record documentation following such a request or demand for record documentation or billing.

ARTICLE III: ANTI-DISCRIMINATION

- A. Equal Employment Opportunity Practices. The CONTRACTOR agrees to comply with all the terms, provisions, and requirements of Title VII of the Civil Rights Act of 1964, Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented in U.S. Department of Labor regulations and any other applicable Federal, state, local, or other equal employment opportunity act, law, statute, regulation and policy, along with all amendments and revisions of these laws, in the performance of this Contract.
- B. Non-Discrimination Provisions and Requirements. The CONTRACTOR agrees to comply with all the terms, requirements, and provisions of Titles VI and VII of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, and any other applicable Federal, State, local, or other anti-discriminatory act, law, statute, regulation, or policy, along with all amendments and revisions of these laws, in the performance of this Contract, and the CONTRACTOR agrees not to discriminate against any employee or applicant for employment because of race, creed or religion, age, sex, color, national or ethnic origin, disability, or upon any other discriminatory basis or criteria.

ARTICLE IV: TERMINATION

- A. Condition of Termination. This Contract may be terminated by: (1) The DEPARTMENT for any unsatisfactory performance of this Contract documented by the DEPARTMENT, including, but not limited to, failure of the CONTRACTOR to deliver satisfactory products or services, as specified, in a timely fashion, or (2) The DEPARTMENT or the CONTRACTOR for violation of any term or condition of this Contract upon thirty (30) days written notice to the other PARTY, or (3) The DEPARTMENT or the CONTRACTOR as a result of loss or reduction of funding for the stated services as described in Attachment A (Description of Services), effective immediately as provided by Article II.A of this Contract.
- B. Rights Upon Termination. In the event this Contract is terminated for any reason, the DEPARTMENT shall, in the case of cost reimbursable contracts, retain without cost ownership of all case records maintained by the CONTRACTOR in the execution of its duties hereunder. Upon written request from the DEPARTMENT, said CONTRACTOR shall provide copies of all case records within fifteen (15) days of receipt of the termination notice. In the event the CONTRACTOR fails to provide such records in a timely manner, the CONTRACTOR shall reimburse the DEPARTMENT for any legal or administrative costs associated with obtaining such records. Any service expenditure, specified under this Contract, incurred prior to the date of termination shall be authorized and paid for in accordance with the terms of the Contract even though payment occurs subsequent to the termination date.

ARTICLE V: ADMINISTRATIVE PROCEDURES

- A. Amendment, Modification and Waiver.
1. Procedure for Amendment. This Contract may be amended by written agreement duly executed by authorized officials of both PARTIES. No alteration, variation, modification or waiver of the terms and provisions of this Contract shall be valid unless made in writing and duly signed by the PARTIES. Every amendment shall specify the date on which its term and provision shall be effective.
 2. Nullification. In the event of amendments to current Federal or State of Delaware laws that nullify any term or provision of this Contract, the remainder of the Contract will remain unaffected.
 3. Waiver of Default. Waiver of any default shall not be deemed to be a waiver of any subsequent default. Waiver or breach of any provision of this Contract shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of the Contract unless stated to be such in writing, signed by an authorized representative of the DEPARTMENT and attached to the original Contract.
- B. Notice Between the Parties. Any notice required or permitted under this Contract shall be effective upon receipt and may be hand delivered with receipt requested and granted or by registered or certified mail with return receipt requested. Either PARTY may change its address for notices and official formal correspondence upon five (5) days' written notice to the other.

- C. Coordination with Federal Funding. The CONTRACTOR certifies that any Federal funds to be used under this Contract do not replace or supplant State of Delaware or local funds for already-existing services. The CONTRACTOR warrants that any costs incurred pursuant to this Contract will not be allocable to or included as a cost of any other Federally financed program in the current, a prior, or a subsequent period. The CONTRACTOR further certifies that the services to be provided under this Contract are not already available without cost to persons eligible for social services under the Public Assistance Titles of the Social Security Act. In the event the DEPARTMENT will utilize Federal funds as all or part of the compensation agreed to hereunder, the CONTRACTOR shall execute the US Department of Health and Human Services Certification Regarding Lobbying required by section 1352, title 31 U.S. Code.
- D. Subcontracts. The CONTRACTOR shall not enter into any subcontract for any portion of the services covered by this Contract, except with the prior written approval of the DEPARTMENT, which shall not be unreasonably withheld. The requirements of this paragraph do not extend to the purchase of articles, supplies, equipment, and other day-to-day operational expenses in support of staff providing the services covered by this Contract. No provision of this paragraph and no such approval by the DEPARTMENT of any subcontract shall be deemed in any event or in any manner to provide for the incurrence of any obligation by the DEPARTMENT in addition to the total agreed upon cost under this Contract. For the purpose of this Agreement, licensed independent professionals including, but not limited to, physicians, psychologists, social workers and counselors shall not be considered "subcontractors" as that term is used in this paragraph.
- E. Non-Assignability. The CONTRACTOR shall not assign the contract or any portion thereof without prior written approval of the DEPARTMENT and subject to such conditions and provisions as the DEPARTMENT may deem necessary. No such approval by the DEPARTMENT of any assignment shall be deemed to provide for the incurrence of any obligations of the DEPARTMENT in addition to the total agreed upon price of the Contract.
- F. Interpretation.
1. Third Party Beneficiary Exclusion. This Contract is executed solely for the mutual benefit of the PARTIES. It is the express intention of the PARTIES that no provision of this Contract should be interpreted to convey any rights or benefits to any third party.
 2. Choice of Law. This Contract shall be interpreted and any disputes resolved according to the laws of the State of Delaware. The CONTRACTOR agrees to be bound by the laws of the State of Delaware and to bring any legal proceedings arising hereunder in a court of the State of Delaware. For the purpose of Federal jurisdiction, in any action in which the State of Delaware or the DEPARTMENT is a party, venue shall be in the United States District Court for the State of Delaware.
 3. Headings. The article, section and paragraph headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.
- G. Qualifications to Conduct Business. (Not applicable for Contracts with other Delaware State Agencies or Delaware Municipalities.)
1. Qualification to Provide Service. The CONTRACTOR warrants that it is qualified to do business in Delaware or the state in which services under this Contract shall be provided, and is not prohibited by its articles of incorporation, bylaws, or the law under which it is incorporated from performing the services required under this Contract.
 2. Documentation of Business Status. The CONTRACTOR shall submit to the Contract Manager copies of all licenses, accreditations, certifications, sanctions, and any other documents that may reasonably be required as specified by the DEPARTMENT. If the CONTRACTOR conducts business in Delaware, the CONTRACTOR must possess a valid Delaware Business License, obtainable from the State of Delaware Division of Revenue. The CONTRACTOR shall submit a copy of the license at the time of signature of the Contract; provided, however, that if the CONTRACTOR is a non-profit organization, the CONTRACTOR shall instead submit, at the time of signature of the Contract, written approval from the U.S. Internal Revenue Service of this non-profit status.
 3. Change in Business Status. The CONTRACTOR shall promptly notify the DEPARTMENT of any change in its ownership, business address, corporate status, and any other occurrence or anticipated occurrence that could materially impair the qualifications or ability of the CONTRACTOR to conduct business under this Contract.
 4. Suspension/Exclusion from Medicaid/Medicare. If the CONTRACTOR is suspended or excluded from participation in the Medicaid Assistance Program of the State of Delaware or another state or from the

Medicare Program, or charged with sanctions or violation of such programs, the CONTRACTOR shall promptly notify the DEPARTMENT in writing of such charges, sanctions, violations, suspension or exclusion. CONTRACTOR agrees such suspension, exclusion, violations, sanctions, or charges may, at the DEPARTMENT's discretion, be deemed a material breach of this Contract and good cause for immediate termination of this Contract, and the DEPARTMENT shall not be liable for any services provided after the date of such termination.

H. Records and Audits.

1. Maintenance. The CONTRACTOR shall maintain books, records, documents, and other evidence pertaining to this Contract to the extent and in such detail as shall adequately document the provision of reimbursed services for purposes of programmatic or financial audit. The CONTRACTOR agrees to maintain specific program records and statistics as may be reasonably required by the DEPARTMENT. The CONTRACTOR agrees to preserve and, upon request, make available to the DEPARTMENT such records for a period of five (5) years from the date services were rendered by the CONTRACTOR. Records involving matters in litigation shall be retained for five years or one (1) year following the termination of such litigation (whichever is later).
2. Availability for Audits and Program Review. The CONTRACTOR agrees to make such records available for inspection, audit, or reproduction to any official State of Delaware representative in the performance of his/her duties under the Contract. The CONTRACTOR agrees that an on-site program review, including, but not limited to, review of service records and review of service policy and procedural issuances may be conducted at any reasonable time, with or without notice, by the DEPARTMENT when it is concerned with or about the services performed hereunder. Failure by the CONTRACTOR to accord the DEPARTMENT reasonable and timely access for on or off-site program review or to necessary records for programmatic or organizational audit may, at the DEPARTMENT'S discretion, be deemed a material breach of this Contract and good cause for immediate termination of this Contract, and the DEPARTMENT shall not be liable for any services provided after the date of such termination.
3. Costs Owning. The cost of any Contract audit disallowances resulting from the examination of the CONTRACTOR's financial records will be borne by the CONTRACTOR. Reimbursement to the DEPARTMENT for disallowances shall be drawn from the CONTRACTOR's own resources and not charged to Contract costs or cost pools indirectly charging Contract costs.
4. Contract Termination. The CONTRACTOR shall maintain program records for a period of five (5) years from the date services were rendered by the CONTRACTOR and shall make these records available on request by the DEPARTMENT, notwithstanding any termination of this Contract.

- I. Assignment of Causes of Action Relating to Antitrust Laws. In the event the CONTRACTOR is successful in an action under the antitrust laws of the United States and/or the State of Delaware against a vendor, supplier, subcontractor, or other party who produces particular goods or services to the CONTRACTOR that impact on the budget for this Contract, the CONTRACTOR agrees to reimburse the DEPARTMENT the pro rata portion of the damages awarded that are attributable to the goods and/or services used by the CONTRACTOR to fulfill the requirements of this Contract. In the event the CONTRACTOR refuses or neglects after reasonable notice by the DEPARTMENT to bring such antitrust action, the CONTRACTOR will be deemed to assign such action to the DEPARTMENT.

ORGANIZATION FACT SHEET

RFP Title: New Castle County Group Home for Teens

Proposed site of NCC Group Home (town): _____

CORPORATE INFORMATION							
Corporation Name: _____							
Corporate Office Address: _____							
Contract Remittance Address: _____							
Contact Person: _____							
Corporate Office Phone #: _____							
Fax Number: _____							
E-mail Address: _____							
Indicate below with an "X" all that apply:							
<input type="checkbox"/>	Non-Profit Agency	<input type="checkbox"/>	Woman Owned Agency	<input type="checkbox"/>	Minority Owned Agency	<input type="checkbox"/>	Disadvantaged Business Enterprise

BIDDING OFFICE INFORMATION (IF DIFFERENT)	
Name:	_____
Address:	_____
Clinical License (if any)	_____
Contact Person:	_____
Contact Phone #:	_____
Fax Number:	_____
E-mail address:	_____

Vendor EI#: _____ Delaware Business License#: _____
(Not required to bid)

A Delaware Business License is not required to bid, but a copy of the license is required at or before the time of contract signing **IF** the bidder will be providing services within the State of Delaware.

PLEASE SIGN THIS AND SUBMIT WITH THE PROPOSAL

ASSURANCES

The bidder represents and certifies as a part of this offer that:

The organization will complete or provide any information necessary for enrollment in Medicaid requested by the Department, concerning, but not limited to, such areas as licensure and accreditation, Medicaid rates paid by other states for services provided by the organization, the usual and customary charges for medical services, and/or past sanctioning by the Centers for Medicare and Medicaid Services (CMS).

The organization will maintain records, documents, and other required evidence to adequately reflect the service under contract.

The organization agrees to maintain or to make available at a location within the State, such records as are necessary or deemed necessary by the Department to fully disclose and substantiate the nature and extent of items and services rendered to the Department clients, including all records necessary to verify the usual and customary charges for such items and services. Organizations that show cause may be exempted from maintaining records or from making such records available within the State.

The organization understands that all records shall be made available at once and without notice to authorized federal and state representatives, including but not limited to Delaware's Medicaid Fraud Control Unit, for the purpose of conducting audits to substantiate claims, costs, etc., and to determine compliance with federal and state regulations and statutes.

The organization shall retain medical, financial, and other supporting records relating to each claim for not less than five (5) years after the claim is submitted.

The organization will maintain accurate accounts, books, documents, and other evidentiary, accounting, and fiscal records in accordance with established methods of accounting.

In the event that the Contract with the organization is terminated, the organization's records shall remain subject to the Department's regulations.

The organization will physically secure and safeguard all sensitive and confidential information related to the service given. This includes service activities and case record materials.

The organization shall comply with the requirements for client confidentiality in accordance with 42 U.S.C. 290 and/or 290 cc-3.

The organization will cooperate with designated program monitors, consultants, or auditors from the Department of Services for Children, Youth and Their Families or the Criminal Justice Council in connection with reviewing the services offered under contract.

The organization will comply with all applicable State and Federal licensing, certification, and accreditation standards, including the Department's Generic Program Standards, and it will submit documentation of annual renewals of applicable licenses/certifications at whatever point they are renewed during the contract year.

The organization will not let subcontracts without prior approval from the contracting Division.

The organization will attempt to obtain all supplies and materials at the lowest practicable cost and to contain its total cost where possible by competitive bidding whenever feasible.

The organization will, upon signature of the contract, provide written assurance to the Department from its corporate counsel that the organization is qualified to do business in Delaware.

The organization agrees to comply with all requirements and provisions of the Civil Rights Act of 1964, the Rehabilitation Act of 1973, the Federal Equal Employment Opportunity and Non-Discrimination regulations, and any other federal, state, or local anti-discriminatory act, law, statute, regulation, or policy along with all amendments and revisions of these laws, in the performance of the contract. It will not discriminate against any applicant or employee or service recipient because of race, creed or religion, age, sex, color, national or ethnic origin, handicap, or any other discriminatory basis or criteria.

The organization shall comply with: the Uniform Alcoholism and Intoxication Treatment Act (16 Del.C., Chapter 22 as amended; Licensing of Drug Abuse Prevention, Control, Treatment, and Education Programs (16 Del.C., Chapter 48 as amended); Drug Free Work Place Act of 1988.

The organization shall comply, when applicable, with the Methadone Regulations (21 CFR, Part III), which prohibit use of methadone for children and youth.

The organization will establish a system through which clients receiving the service under contract may present grievances. Clients will be advised of their appeal rights by the organization.

The organization agrees that it is operating as an independent contractor and as such, it agrees to save and hold harmless the State from any liability which may arise as a result of the organization's negligence.

The organization will abide by the policies and procedures of the Department and will comply with all of the terms, conditions, and requirements as set forth in the contract. The organization understands that failure to comply with any of the terms, conditions, and provisions of the contract may result in delay, reduction, or denial of payment or in sanctions against the organization. The organization also understands that penalties may be imposed for failure to observe the terms of Section 1909, Title XIX of the Social Security Act.

Name of Organization's Authorized Administrator

Signature of Authorized Administrator

Date

PLEASE SIGN THIS AND SUBMIT WITH THE PROPOSAL
CERTIFICATION, REPRESENTATION, AND ACKNOWLEDGEMENTS

By signing below, bidding contractors certify that:

- They are an established vendor in the services being procured
- They have the ability to fulfill all requirements specified for development within this RFP
- They have neither directly nor indirectly entered into an agreement, participated in any collusion, nor otherwise taken any action in restraint of free competitive bidding in connection with this proposal
- They are accurately representing their type of business and affiliations
- They have included in their quotation all costs necessary for or incidental to their total performance under contract
- They are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency

The following conditions are understood and agreed to:

- No charges, other than those shown in the proposal, are to be levied upon the State as a result of a contract.
- The State will have exclusive ownership of all products of this contract unless mutually agreed to in writing at the time a binding contract is executed.

Name of Organization's Authorized Administrator

Signature of Authorized Administrator

Date

**DEPARTMENT OF SERVICES FOR CHILDREN, YOUTH & THEIR FAMILIES
BUDGET PREPARATION GUIDE FOR PURCHASE OF SERVICE CONTRACTS**

General Budget Guidelines

Please read these guidelines thoroughly before beginning to complete the budget form.

Depending on the type of contract, agencies may be required to complete the attached budget form in order to determine the appropriateness of agency costs allocated to DSCYF contracts and to assist DSCYF in making cost comparisons among similar programs and services. Those contracts include cost reimbursable contracts and contracts that have previously been cost reimbursable but have been converted to a unit cost contract. A separate budget form must be filled out for each program or facility funded in this contract.

TYPES OF COSTS

The total cost of contracts is comprised of the allowable program costs, plus the allocable portion of agency administrative costs. Therefore, for purposes of this budget form, contracted costs are categorized into those two separate and distinct types: Program Costs and Administrative Costs. Definitions of these costs are provided below. Certain costs incurred by contractors may be deemed unallowable for inclusion in DSCYF contracts and, therefore, should not be included in the proposed budget on the Budget Form. These are enumerated later in this document.

Program Costs

Program costs are defined as those costs incurred in the provision of services to clients (see Cost Category 7 for a further discussion of the difference between program costs and administrative costs of personnel). Examples of program costs are: salaries and applicable other employment costs, travel, contractual services (such as telephone, postage, and rent), supplies, and capital outlay/equipment.

One method of distinguishing administrative personnel from program service personnel is by their proximity to client services. For instance service workers would include staff working with clients and their supervisor, if they spend 100% of their time in supervision. As appropriate, the next level of supervision/management may also be considered as part of the program staff if their principal accountability is related to the on-site oversight of the program. All levels of personnel above this level should be considered administrative staff. Full Time Equivalent (FTE) positions should be prorated if they spend time working in multiple programs. Administrative costs should be detailed in Cost Category 7, Administrative Costs.

Certain costs, such as those for space or utilities, can be either administrative or program-related, depending on what type of employee occupies the space.

Administrative Costs

Administrative costs are defined as those costs incurred to provide central support functions to the service components of the program. Administrative costs are those that have been incurred for the overall general executive and administrative offices of the organization and other expenses of a general nature that do not relate solely to any major program area of the organization. In general, administrative costs cannot be readily identified to a specific program objective without effort disproportionate to the results. This category may also include the allocable share of salaries and fringe benefit costs, operation and maintenance expense, depreciation and use allowances, and interest costs. Examples of costs that fit in this category include central office functions, such as the director's office, the office of finance, business services, budget and planning, personnel, payroll, safety and risk management, general counsel and management information systems.

UNALLOWABLE COSTS

The department will not pay for the following costs:

1. Costs incurred before the effective date or after the termination date of any contract.
2. Costs incurred prior to the Contractor's receipt of the Purchase Order from the Delaware State Department of Finance.
3. Costs incurred in violation of any provision of the DSCYF contract or the DSCYF Generic Standards.
4. Costs of acquisition, renovation or improvement of facilities or land, unless specifically approved by the Cabinet

- Secretary of the department in writing and in advance of any work being performed. Ongoing costs of facility maintenance and repair are distinguished from improvement and are allowable.
5. Costs of political activities, including: transportation of voters or prospective voters to the polls, activities in connection with an election or a voter registration effort, contributions to political organizations and expenses related to lobbying.
 6. Costs of idle facilities. Idle facilities means completely unused facilities that are excess to the organization's current needs. Unallowable costs related to the idle facility include: maintenance, repair, rent, property tax, insurance and depreciation or use allowances.
 7. Interest payments, late payment fees and penalties charged by vendors as a result of late payments.
 8. Costs related to fines or penalties imposed on the agency or legal fees related to the defense of the agency or any of its employees in any civil or criminal action.

In determining which costs are unallowable, the department used, in part, OMB (Office of Management and Budget) Circular A-87 Federal Cost Principles for State, Local and Indian Tribal Governments. A copy of this document is available on the OMB website (<http://www.whitehouse.gov/omb/circulars/index.html>) or will be made available to the contractor upon request.

Definitions and Budget Justification Requirements

The first 6 categories relate to the operation of the program or service. Administrative costs that fall into one of these 6 reporting categories should be reported under Cost Category #7, Administrative Costs. For instance, a portion of the salary of the agency Executive Director would be recorded under Administrative Costs either by direct or indirect allocation (see the section entitled Cost Allocation Methodologies for appropriate methods of allocating costs).

Cost Category 1 - SALARIES

Definition: Compensation paid to all regular and part-time employees of the organization (as opposed to contracted workers) who directly participate in the successful completion of program objectives. (See **IRS Pub. 15-A**, Employer's Supplemental Tax Guide, for more information on how to determine whether an individual providing services is an independent contractor or an employee.)

The percentage of salary cost allocated to this contract for each position should be equal to the proportion of time that that position spends working in the contracted program. Salary costs may be allocated to DSCYF programs by either an indirect allocation methodology or a direct allocation methodology depending on which is most appropriate for each position (see the section entitled Cost Allocation Methodologies for a list of acceptable allocation methodologies). *DO NOT report the salaries of administrative staff in this section even if they are allocated to individual programs by a direct allocation methodology such as a time study. Salaries of administrative staff should only be reported in Cost Category 7, Administrative Costs.*

Salary increases, where they can be accommodated within DSCYF contracted budget resources, should be calculated in accordance with established agency personnel policies. For example, if a salary increase is not scheduled until April of the proposed program year, the budgeted salary should be calculated at the current salary rate through March of the proposed year, and at the new rate beginning in April for the remainder for the program year.

Salaries for new positions should be budgeted for the number of months that they can reasonably be anticipated to be filled. The agency should provide a written explanation if it anticipates that a new position will be filled for a period greater than ten months.

JUSTIFICATION REQUIREMENTS: If not already on file with the department or if new position categories are added or position requirements changed, the Contractor shall provide a copy of job descriptions for each staff position that is necessary for the accomplishment of program objectives with the signed contract. The job description should state the major duties to be performed and the necessary qualifications of the individual hired to perform them. A Salary Detail Sheet must be completed with the information for all positions that are included in this cost category. Instructions for the Salary Detail Sheet are included as a separate attachment.

Cost Category 2 - OTHER EMPLOYMENT COSTS

Definition: Includes employee benefits and taxes related to positions paid for under this contract. Costs may include the following line items:

Unemployment Insurance, Pensions, Health Insurance, Worker's Compensation, FICA, Medicare Tax and other benefits

The percentage of "Other Employment Costs" for any position that is only partially allocated to this contract cannot exceed the percentage of salary charged in the contract for that position. For instance, if 25% of a salary is requested, no more than 25% of any applicable "Other Employment Cost" may be requested.

JUSTIFICATION REQUIREMENTS: Show computation for each employment cost item specified in the budget. Other employment costs should be calculated at CURRENT RATE, not at projected rates, unless the contractor has received notice of a mandated change in benefit rates. Specify the nature of "other benefits" and show relevant computation. This type of cost must be in accordance with written agency personnel policy.

Cost Category 3 - TRAVEL

Definition: Cost of transportation, lodging, and related cost of travel for trips necessary for carrying out contract objectives. Overnight trips must be authorized as provided for in contractor agency personnel policies.

- a. **Mileage:** Reimbursement for miles traveled by agency employees/volunteers in private vehicles for the purpose of carrying out program plan objectives must be in accordance with established contractor agency policies. Mileage cost related to travel to and from an employee's principal place of business is not allowable.
- b. **Common Carrier:** Bus, train, taxi, or airplane fares.
- c. **Meals:** Applies to out-of-state travel only and includes tips for meals. Alcoholic beverages may not be charged.
- d. **Lodging:** Applies to overnight travel only.
- e. **Other Travel:** Tolls, parking fees, tips for service, baggage check fees. Does not include conference registration.

JUSTIFICATION REQUIREMENTS: The agency should indicate the reimbursement per mile and reimbursement per meal, etc. in their agency policy. Show computation of budgeted figure. Briefly describe the general purposes of travel.

Cost Category 4 - CONTRACTUAL SERVICES

Definition: Services performed by people who are not in the employ of your agency (see definition of employee in Cost Category 1 – SALARIES). Allowable services include the following line items:

- a. **Other Professional Services:** Includes professional services such as legal, educational or medical which are not specifically defined in other line items and which assist in successful Postage accomplishment of program objectives.
- b. **Postage and Freight:** Includes the costs of postage and/or shipping of program-related correspondence and items when such expenses are not billed as part of the original cost of the item.
- c. **Telephone:** All telephone charges related to the operation of program functions.
- d. **Utilities:** Includes water and sewerage, electricity, gas for heating (natural and propane), and other heating fuels (listed separately on the budget narrative).
- e. **Insurance:** Includes insurance for building, contents, motor vehicles and liability insurance for employees who work in the program (general liability insurance should be included under Administrative Costs).
- f. **Rental/Mortgage - Building/Office/Land (see line item g for facility Use Allowance):** Includes rental on all space related to the operation of the program. Rental costs are allowable to the extent that costs are reasonable in light of such factors as: rental cost of comparable property, if any, current market value in the area, alternatives available, and the type, life expectancy, conditions, and the value of the property leased.

Agencies may be asked to produce data that demonstrates that the cost per sq. ft. is reasonable for the area in question. Funds shall not be requested for rental of facilities that are not utilized for program objectives or that are in excess of the reasonable space necessary to carry out such objectives. In determining the reasonableness of the rent charged, the department will use *OMB Circular A-87, section 38. Rental Costs*. Where utilities are included in the rental amount they must be clearly identified. Mortgage costs are allowable to the extent that they are proportionate to the square footage used by the program and to the value of the property. Where an agency holds a clear title to a facility, one of the methods in line item g should be used to charge for space costs. (see * at end of this section)

- g. Use Allowance and Depreciation:** This category is appropriately used to record space costs related to DSCYF contracted programs or services where the agency holds a clear title to a building or equipment.

In this case, the agency may use one of two methods but, once chosen, a methodology may not be changed without the approval of the contract manager in accordance with IRS guidelines. The two methods are:

- i. Use allowance: where this method is followed, the use allowance for buildings and improvements, including land improvements, such as paved parking areas, fences and sidewalks, will be computed at an annual rate not exceeding two percent of the acquisition cost. The use allowance for equipment will be computed at an annual rate not exceeding 6 2/3 percent of acquisition cost.
- ii. Depreciation: where this method is followed, the straight-line method shall be used in the absence of clear evidence indicating another method shall be used and the Contractor should provide a depreciation schedule.

In either case, the method chosen (in accordance with OMB Circular A-87) shall be documented

and initiated by the independent CPA firm that prepares the annual financial statements and

agency audit. Final approval shall be made by DSCYF.

Additional restrictions on the use of these two methodologies are as follows:

- i. **The computation of depreciation or use allowance shall be based on the acquisition cost of the assets involved.**
- ii. Any portion of the cost of buildings and equipment donated by the Federal, State or Local government including the land cost is disallowed.
- iii. **Any portion of the cost of buildings and equipment contributed by the organization in satisfaction of a matching requirement is disallowed.**
(see * at end of this section)

For additional guidance on how to depreciate property see IRS Publication 946 or form 4562 or visit the IRS website at <http://www.irs.gov/pub/irs-pdf/p946.pdf> - 454.8KB.

- d. **Rental - Equipment:** Includes rental of all equipment necessary to carry out program objectives.
- i. **Repair/Service/Maintenance:** Includes repair, servicing and maintenance of program facilities, motor vehicles, office equipment, and all other equipment that is necessary to carry out the program.
- j. **Printing and Binding:** Includes printing and preparing for distribution of all program related printed matter, including brochures, flyers, etc. for the promotion of program objectives. This does not include office stationery (see Stationery and Office Supplies) or newspaper display ads (see Advertising).
- k. **Association Dues and Conference Fees:** Includes all membership fees and registration/attendance fees at conference/workshops where such activity or membership is directly related to the accomplishment of program objectives.
- l. **Advertising:** Includes advertising for bids for contracted services, advertising for program positions or advertising for program activities in the public media, etc.
- m. **Other Contractual Services:** Includes costs that cannot be classified under contractual services line items a through l above. Examples of such costs include property taxes, stipends, temporary employment agency fees, etc.

* JUSTIFICATION REQUIREMENTS: For items f & g above, the agency must specify the owner of the building in which the program will operate and the relationship of the building owner to the contracted organization. For all items, above give general purpose and basis for each item requested in this cost category.

Cost Category 5 - SUPPLIES AND MATERIALS

Definition: Supplies and materials must have a cost per unit of less than \$1,000 regardless of the item's expected useful life.

- a. **Food:** Includes food purchased for human consumption as part of a service program.
- b. **Linens and Blankets:** Includes the purchase and repair of linens and blankets for use as part of a service program for residential services.
- c. **Stationery and Office Supplies:** Includes all office stationery and office supplies necessary for program activities.
- d. **Housekeeping Supplies:** Includes supplies necessary for building maintenance and client personal hygiene as part of a site-based program or service.
- e. **Educational, Recreational, Cultural Supplies and Subscriptions:** Includes all such materials useful in the development of program activities or in the provision of direct services through educational means.
- f. **Motor Vehicles - Accessories, Tires, Parts, Motor Oil/Grease:** Includes expendable items, which are purchased and installed by agency personnel. Such expenditures are limited to the repair and servicing of agency-owned or leased vehicles only. Motor vehicle repairs performed by garages, etc. should be budgeted under "Contractual Services" (see #4i).
- g. **Gasoline:** Includes gasoline purchased for the necessary operation of agency-owned or leased motor vehicles used for program activities.
- h. **Other Supplies and Materials:** Includes all supplies and materials that cannot be properly classified above, and that are necessary for program activities.

JUSTIFICATION REQUIREMENTS: Give purpose and basis for each category requested in this line item.

Cost Category 6 - CAPITAL OUTLAY/EQUIPMENT

Definition: Capital outlay items have a cost per unit of \$1,000 or more and a useful life of more than one year.

JUSTIFICATION REQUIREMENTS: Itemize and give purpose for requested costs. All capital purchases shall be the property of DSCYF.

Cost Category 7 – ADMINISTRATIVE COSTS

A more detailed definition of Administrative Costs as distinguished from Program Costs was provided at the beginning of this document. Examples of costs that fit in this category include central office functions, such as the director's office, the office of finance, business services, budget and planning, personnel, payroll, safety and risk management, general counsel and management information systems.

Types of costs that may be included under this category include:

- a. Salaries
- b. Unemployment Compensation
- c. Pensions
- d. Health Insurance
- e. Workers Compensation
- f. FICA
- g. Other Benefits (specify in narrative)
- h. Other Support costs (specify in narrative, including cost per sq. ft. for buildings)
- i. Agency local office administrative costs allocated to DSCYF contracted programs
- j. Agency central office administrative costs allocated to DSCYF contracted programs

In most cases the agency will use either the line item format to report its local agency (as opposed to central headquarters) administrative costs that is represented by items a through h above or it may lump all of those cost items into item I, for instance, if such costs have been allocated to this DSCYF service using a single allocation percentage.

If the agency does not have a “parent corporation”, usually located outside of Delaware, for which an administrative cost is allocated to the DSCYF contract, item j. will be left blank.

JUSTIFICATION REQUIREMENTS: The allocation of each line item cost in this category must be supported by a valid methodology that fairly and equitably distributes costs to the program component of the contract in direct proportion to the benefit derived. For each line item, the agency must provide a valid methodology for allocating the cost. The attached Salary Detail Sheet must be completed with the information for all positions that are directly charged in this cost category. Instructions for the Salary Detail Sheet are included as a separate attachment. **COSTS OF THIS TYPE MUST BE REQUESTED AND JUSTIFIED ON A LINE-ITEM BASIS.** Agencies should include an organizational chart that identifies the relationship between the contracted program or service and the rest of the organization.

Additional General Budget Preparation Guidance

Start up costs: such proposed costs for new programs must be clearly identified separately from on going program costs.

Federally Negotiated Indirect Cost Rates: Some agencies may have an Indirect Cost Rate that has been negotiated with one or more federal cognizant agencies. While the Department may choose to accept this rate as the administrative cost percentage for its contracts, nothing in state or federal law or regulation obligates the department to do so. Acceptance of this Indirect Cost Rate must be negotiated with the contract.

Documentation: Even where the Department does not require the agency to provide a narrative justification with the contract, contractors must maintain documentation in their files to support the legitimacy of all costs charged to this contract.

COST ALLOCATION METHODOLOGIES

For each central administrative function, the agency will have to choose an allocation methodology, which will result in a fair and equitable assignment of costs within the organization to each program or service. Where an agency operates only one program or service at a single location, administrative costs can most likely be wholly allocated to that program or service. Where an agency operates multiple programs or services, however, central administrative costs must be apportioned between those programs or services. Program costs may at times need an allocation methodology, such as when program staff split their time between two or more programs or locations. This will be addressed in paragraph five of this section.

Cost allocation is a process whereby the cost of maintaining the central administrative functions of an organization are distributed or apportioned to the specific programs or services operated by the organization. In cost allocation terminology, these programs or services are called *final cost objectives*, i.e. the final purpose for which both types of costs, program and administrative, are being incurred. Within the department, we define this “final purpose” as the provision of such services as: outpatient mental health services, family preservation services or residential rehabilitative services for juvenile offenders. These are just examples of the many services purchased via contract by the department. Administrative costs cannot usually be easily distributed or allocated to final cost objectives where multiple programs exist within an organization. For instance, most large organizations have a human service function that engages in such activities as recruitment, hiring, training, benefit administration and payroll. The cost of operating this function is incurred for the common purpose of the organization. Without keeping detailed records of activities performed and for which final cost objective of the organization those activities were performed (i.e. which distinct service or program benefited from the activity), however, it would be nearly impossible to assign the appropriate share of the cost of the human resources function to a particular program or service.

This is why an organization needs to engage in cost allocation. A sound cost allocation process or methodology allows an agency to allocate the cost of central functions like human resources to final cost objectives in a manner that conceptually approximates the workload expended on behalf of or for the benefit of the final cost objectives. Using the human resource function as an example again, an easily obtainable piece of data that is commonly used to allocate central human resource costs to programs or services is the number of FTE’s who work in those programs or services. One can easily see the relationship between the number of positions employed with a program and the workload

required for recruiting, hiring and administering benefits, etc. for those employees. The more people assigned to a particular area of the organization – the greater the workload of the human resources staff, generally speaking. Other representative units of work (like FTE's in the previous example) or *allocation bases* that are commonly used in the cost allocation process are the number of dollars expended on the provision of a program or service at the client level (in the case of human service programs) or the amount of revenue that a program or service generates for the organization. This method of apportioning administrative costs to programs on the basis of the relative dollar amount spent on or generated by the program is commonly used to allocate multiple central agency administrative functions where no other easily obtainable, more accurate basis for cost distribution is available. Again, the key is that the basis chosen should allocate the cost of central functions to final cost objectives in a manner that *reasonably approximates* the benefits that accrue to the final cost objective as a result of the central function being performed.

An allocation of central administrative costs to programs or services can be either by *direct or indirect* assignment. Where agencies can specifically identify a central service with a benefiting final cost objective, a direct method of allocation is generally preferred. For example, continuing with the example in the preceding paragraph of the human resources function, suppose that an organization operated three programs and the organization had assigned specific human resources staff to work exclusively with each of these programs. Given that the salary and fringe benefit costs for these positions can be easily identified, the agency may wish to assign those costs directly to each program. This would be known as a *direct allocation* of cost in cost allocation terminology. The alternative would be to use a representative *allocation basis*, such as the number of FTE positions or expenditures or revenue related to each program or service to allocate the cost of the human resource function to those programs or services. Using an *indirect* indicator of workload would be called an *indirect allocation* of costs. Indirect allocation methods result in a percentage being applied to the cost of the central function. For example, consider a scenario where the agency operates three programs: Program A has 2 staff, Program B has 3 staff and Program C has 5 staff. If the agency chose the number of employees in each program as its allocation basis to allocate its HR function, then the result would be that Program A would be assigned 20% of the HR costs, Program B would get 30% and Program C would get 50%. Note that in this example, the number of staff in each program is used as the determinant of cost allocation precisely because there is a direct connection between the number of people employed in a program and the amount of human resources work required to support that program. This would be an *indirect* allocation of the human resources costs. Regardless of which allocation methodology is chosen, the agency will have to justify in the narrative why it chose that particular methodology (either a *direct or indirect allocation* of cost) and why it chose a particular allocation basis if the allocation is an indirect one.

So far, we have only addressed administrative costs. However, when staff work directly with clients in multiple agency programs or services, it will be necessary to choose an allocation methodology for those costs as well. For example, an agency that operates several residential programs may have a nurse that rotates his or her time between those programs in some proportion. If, for example, the agency had 5 programs and the nurse spent one day a week at each program, then the agency could allocate .2 FTE or 20% of the nurse's cost to each program. This would constitute a direct allocation. Alternatively, the agency could use the number of clients served in each program (expressed as a percentage of total clients) to allocate the cost of nursing services across programs if that is a stable, more appropriate measure of workload.

Common acceptable allocation bases used to allocate shared costs (either administrative or program) that benefit more than one program or service include:

1. the percentage of agency revenue/expenditures by program
2. the percentage of total personnel costs
3. the number of FTE positions assigned to agency programs (If this method is used, the agency MUST identify all of the other programs or functions to which the person has been allocated and the proportion allocated to each which adds up to a single 1.0 FTE. Furthermore, the agency must be prepared to explain the method it used to determine the proportion of the FTE that could be allocated to each function, program or contract.)
4. Square footage of shared building space allocated to a specific program
5. the number of client "slots" or clients served or expected to be served
6. Time and effort (by time study or on-going activity logs)

The essential consideration in selecting an allocation methodology (either direct or indirect) and an allocation basis (see examples in the preceding paragraph) is that it is the one best suited for assigning costs to programs or services.

In choosing a basis upon which to allocate costs, it is usually best to start with those functions where a cause/effect or workload/benefit relationship can easily be identified. Certain types of costs, for instance, lend themselves to a more direct cause and effect relationship than others, like the relationship between the number of staff and the workload of the Human Resources function.

When the expenses in a cost grouping are more general in nature, however, such as the cost of the CEO or Executive Director of the organization, the allocation should be made through the use of an allocation base that produces results that are equitable to both the Department and the Contractor. For example, within DSCYF in our Medicaid rate setting process, the HR function is allocated by FTE's, the accounting function by accounting transactions and the rest of the administrative functions, such as leadership at the department level, planning, and information systems support are combined into a single pool which is allocated based on prior year expenditures incurred by each of three operating divisions. If the Contractor wishes to allocate administrative staff time as a direct cost to programs or services, it may be necessary to conduct time studies in order to substantiate this allocation.

In the final analysis, the methodology(ies) used to allocate costs to DSCYF contracted services must be fully explained and justified in the narrative.

DSCYF Line Item Budget Form

Agency:	
Service/Facility:	
Prepared by:	
Contract Term:	

	Allocation % allocated to DSCYF contract
--	------------------------------------------------

LINE ITEM
Expense Item

1 SALARIES:

	\$0
Subtotal (1a):	\$0

2 OTHER EMPLOYMENT COSTS:

a. Unemployment Compensation	\$0
b. Pensions	\$0
c. Health Insurance	\$0
d. Workmen's Compensation	\$0
e. FICA	\$0
f. Other Benefits (specify in narrative)	\$0
Subtotal (2a-f):	\$0

3 TRAVEL:

a. Mileage	\$0	
b. Common Carrier	\$0	
c. Meals	\$0	
d. Lodging	\$0	
e. Other Travel (specify in narrative)	\$0	
Subtotal (3a-e):	\$0	

4 CONTRACTUAL SERVICES:

a. Other Professional Services	\$0	
b. Postage & Freight	\$0	
c. Telephone	\$0	
d. Utilities	\$0	
e. Insurance	\$0	
f. Rental/Mortgage -Building/Office/Land	\$0	
g. Use Allowance and Depreciation for f. & g. identify the cost per sq. ft. for rental properties in narrative	\$0	
h. Rental - Equipment	\$0	
I. Repair/Service/Maintenance	\$0	
j. Printing and Binding	\$0	
k. Association Dues and Conference Fees	\$0	
l. Advertising	\$0	
m. Other Contractual Services	\$0	
Subtotal (4a-m):	\$0	

5 SUPPLIES/MATERIALS:

a. Food	\$0	
b. Linens & Blankets	\$0	
c. Stationery/Office Supplies	\$0	
d. Housekeeping Supplies	\$0	
e. Educational, Recreational, Cultural Supplies and Subscriptions	\$0	
f. Motor Vehicle - Accessories, Tires, Parts, Motor Oil/Grease	\$0	
g. Gasoline	\$0	
h. Other Supplies/Materials (specify in narrative)	\$0	
Subtotal (5a-h):	\$0	

6 CAPITAL OUTLAY/EQUIPMENT:

a. Capital Outlay/Equipment		
Subtotal (6a):	\$0	

Direct Service Budget Subtotal \$0

7 ADMINISTRATION COSTS:

PERSONNEL COSTS:

a. Salaries	\$0	
b. Unemployment Compensation	\$0	
c. Pensions	\$0	
d. Health Insurance	\$0	
e. Workmen's Compensation	\$0	
f. FICA	\$0	
g. Other Benefits (specify in narrative)	\$0	
h. Other Support costs (specify in narrative, including cost per sq. ft. for buildings)	\$0	
i. Agency local office administrative costs allocated to DSCYF contracted programs	\$0	
	\$0	
j. Agency central office administrative costs allocated to DSCYF contracted programs	\$0	
Subtotal (7a-j):	\$0	

8 BUDGET TOTAL

Total (1-7) \$0

Salary Detail Instructions

In the column marked 1 Name of Person: Indicate the name of each person whose time is directly allocated to this contract (use a separate line for each person/position). If a person occupies two positions, show both positions with the appropriate time for each. Staff includes full and part-time staff.

In the column marked 2 Position Title: Indicate the position title (and work location, if appropriate). Position Titles should agree with job descriptions.

In the column marked 3 FTE: Indicate the Full Time Equivalent for each position to be charged to this service/facility. Show this number in relationship to the number of hours per week the person works for the agency.

Example: The standard workweek for your agency is 40 hours per week but the person on the line works only 30 hours per week. Column 3 would show 0.75

In the column marked 4 Percentage of Time Spent on Contract: Indicate for each staff person the percentage of his/her total weekly work hours (rounded to the nearest whole number) which will be spent on activities related to the contract.

In the column marked 5 Total Annual Salary: Indicate for each staff person the total annual salary (Note that the total annual salary of each staff person should be included here, regardless of the percent of time spent on the contract.)

In the column marked 6 Salary Charged to Service/Facility: This is the amount of funds requested from DSCYF for this position. The amount should not exceed the total annual salary (Column 5) times the percent of time spent on the contract (Column 4)

In the column marked 7 Salary Paid from Other Sources: This is the amount of funds paid from all other sources for this position.

In the column marked 8 Program \$: This is the amount of salary charged to the service/facility that is related to the provision of services under the program. The total amount from this column should be entered on line 1a of the DSCYF budget form.

In the column marked 9 Administrative \$: This is the amount of salary charged to the service/facility that is related to administration. The total amount from this column should be entered on line 7a of the DSCYF budget form.

Insert the total of column #8 and #9 on the bottom line.

DSCYF Salary Schedule

Salary Detail

Agency _____

Period Covered _____

Service/Facility _____

1	2	3	4	5	6	7	8	9
Name of Staff Person	Position/Title	FTE	% Time Spent on Service/Facility	Total Annual Salary	Salary Charged to Service/Facility	Salary Paid from Other Sources	Program \$	Administrative \$
Totals								

a

b

- a* Enter the total from this column on line 1a of the DSCYF Budget Form
- b* Enter the total from this column on line 7a of the DSCYF Budget Form

RFP

STAFF QUALIFICATIONS SUMMARY

Please complete the following information on each staff member involved in the proposed project. Attach additional forms if necessary.

Name _____

Degree and profession _____

Years experience in profession? _____ with agency? _____

Licensure status, if applicable _____

Languages spoken _____

% of time in proposed project _____
(Based on full time equivalency)

Brief description of any special qualifications for this project _____

Name _____

Degree and profession _____

Years experience in profession? _____ with agency? _____

Licensure status, if applicable _____

Languages spoken _____

% of time in proposed project _____
(Based on full time equivalency)

Brief description of any special qualifications for this project _____
