

**Contracts Audit
Implementation Plan**

Signature Approvals	Date Approved
<p>Emily Courtnage, Director of Purchasing & Contracting Tracy Pinder, Director of Financial Services Legal - Mary Kane Dani Ledezma, Senior Advisor, Racial Equity & Social Justice Instructional Tab Claire Hertz, Deputy Superintendent of Business and Operations Superintendent (or designee)</p>	

Due October 1, 2020

2020 Contracts Audit Recommendations				Implementation Plan		Status Updates		
#	Abbreviated Recommendation	Response	Responsible Administrator / Manager	Comment	Implementation Plan (Specific steps to be implemented)	Anticipated date implementation will be complete (generally expected within 6 months)	Comments	Status update as of Dec 2020
3	Develop and implement internal controls that will ensure a thorough and robust review and evaluation of the contracts performance is completed and documented prior to deciding whether or not a similar contract should be negotiated in the future	Agree	Instructional Leadership, RESJ leadership	<p>Instructional Leadership agrees with the recommendation and will include action steps within our implementation plan presented to the Audit Committee within 60 days.</p> <p>As noted in the Audit, the personal services contracts that include RESJ Partnerships are currently part of a robust review and reimagining. All contracts are currently subject to a competitive process where proposers are asked to submit documentation of both proposed and prior contract performance to complete a scope of work. The request for proposals includes required narrative and a logic model that describes the contract outputs (service delivered) and intended student outcomes that will form the basis of the contract reporting and district evaluation for awarded proposers. This competitive process will provide the basis for contract awards for up to three years upon successful completion of required contract deliverables each school year. The basis for contract negotiation is outlined in both the PPS RESJ Partnerships Investment Strategy and the 2019-2700 RESJ Partnerships solicitation.</p>	<p>Instructional Leadership: Contract managers who manage significant instructional or student services contracts will provide a summary of performance metrics met or unmet and provide recommendations in regards to future contracting. This information will go to supervisors and be uploaded into Cobblestone contract management software.</p>	March, 2021	<p>Instructional Leadership: CBO Additions: All CBO Schools are awarded contracts through a competitive RFP process which occurs every 5 years. Contracts are renewed and amended annually and include a range of different accountability measures as part of a robust Alternative Accountability Framework, which encompasses ongoing data review as well as submission of annual reports and deliverables. All contracts include relevant and district/state aligned performance objectives. Contracts are aligned with ORS 336.631 which include rules for Private Alternative Education.</p>	On Target
					<p>RESJ leadership:</p> <p>1. RFP process for RESJ Contracts occurred in summer 2020. 2. RESJ and SPP will develop an evaluation process for RESJ Contracts. SPP Staff assigned to conduct the performance management and evaluation process. This will be an annual process.</p>	<p>RESJ leadership:</p> <p>1. Complete 2. Evaluation and Monitoring processes are ongoing. SPP staff assignment is complete. Evaluation development is in progress.</p>	<p>RESJ leadership:</p>	Completed

3 c)	Require the review and evaluation be reviewed and approved by the Contract Manager's supervisor and submitted to the P&C Department for record keeping.	Partly Agree	<p style="text-align: center;">RESJ Leadership & Instructional Leadership & Emily Courtneage, Director of Purchasing & Contracting</p>	<p>Purchasing & Contracting agrees with the recommendation that contract reviews and evaluations should be saved with other contract documents in a central and accessible location, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&C can provide instruction to contract managers and a central and accessible repository for all contract related documents, P&C does not have contracting staff capacity to manage the collection, submission, and supervisor approval of contract performance reviews for all instructional contracts nor the subject matter expertise to judge the content or accuracy of such reviews.</p> <p>Instructional Leadership agrees that there will be a review and evaluation of the contract by the contract manager and that they will inform their supervisor when they have completed that process and uploaded the information. We disagree that the supervisor of the contract manager will also review and evaluate the contract as this is redundant work and that the contract manager is capable of doing this.</p> <p>RESJ leadership agrees with the recommendation to document contract compliance activities, however given the capacity of the respective departments has reservations about creating processes to add another layer of compliance. We do however commit to continuing to work in collaboration across departments to ensure effective contracting.</p>	<p>RESJ Leadership:</p> <p>Instructional Leadership:</p> <p>Instructional Leadership: Contract Managers will upload review and evaluation documentation into Cobblestone contract management software for record keeping once the processes are completed and they will inform the supervisor upon completion.</p>	<p>RESJ Leadership:</p> <p>Instructional Leadership:</p> <p>Instructional Leadership: March 2021</p>	<p>RESJ Leadership:</p> <p>Instructional Leadership:</p>	<p>RESJ leadership:</p> <p>On Target</p> <p>Instructional Leadership:</p> <p>On Target</p>
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7	7. Develop and implement internal controls to ensure the District obtains evidence that the contractors and their employees have completed the mandatory training course as required in the contract.	Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	We agree that contract managers need clear guidance on when and how to ensure that contractors have completed any required training courses before beginning work. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Legal - Mary Kane: General Counsel's office has convened a group of leaders who are working on developing a mechanism for including training requirements in applicable personal services contracts. This group is also exploring how best to ensure contractor compliance. As soon as clear guidance is developed and incorporated in contracts, we will communicate the new expectations with contract managers.	Legal - Mary Kane: July 1, 2021	Legal - Mary Kane:	Legal - Mary Kane:	Legal - Mary Kane:	On Target
7 a)	Develop adequately detailed guidance and expectations and communicate that content with Contract Managers.	Agree	Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting	We agree that contract managers need clear guidance on when and how to ensure that contractors have completed any required training courses before beginning work. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Legal - Mary Kane: The P&C department will include any new guidance regarding contractor training requirements in the 2021-22 update of the mandatory contracting training course. In addition, as soon as clear guidance is developed and incorporated in contract language, the P&C department will notify contract managers.	Legal - Mary Kane: July 1, 2021	Legal - Mary Kane:	Legal - Mary Kane:	On Target	
7 c)	Consult with the Office of Technology & Information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email addresses for the contractor and their staff to access the training courses in Pepper PD.	Agree	Legal - Mary Kane	We agree with the recommendation and a process has already been implemented through the adoption of Rapid Identity, a new identity automated management system.	As noted, the District has adopted a new identity automated management system. The program will be fully implemented once the contractor training protocol is finalized.	Legal - Mary Kane: July 1, 2021	Legal - Mary Kane:	Legal - Mary Kane:	On Target	
8	8. Develop and implement internal controls that will ensure: • Evidence of deliverables identified in the SOW are achieved/delivered, and • Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained).	Agree	Instructional Leadership	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Instructional Leadership: Before a contract goes to the Board, supervisors are requiring contract managers to share the summary of the SOW.	Legal - Mary Kane: March 2021	Legal - Mary Kane:	Legal - Mary Kane:	On Target	

9	We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed.	Agree	Instructional Leadership	We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Instructional Leadership: Before a contract goes to the Board, supervisors are requiring contract managers to share the summary of the SOW.	March 2021	On Target
10	We recommend the District develop and implement internal controls that will ensure the District has received a signed ROI form prior to releasing any student information and continue to prioritize obtaining ROI forms, until a signed ROI form is obtained for each student.	Partly Agree	Legal - Mary Kane and potentially others	We believe the appropriate next action is that the Legal Department assess how and whether ROI forms need to be used in contracts and consult with appropriate departments on development of any necessary internal controls resulting from that assessment. See 11(a), below.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA	Completed
11	We recommend the District perform and document an analysis of the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.	Agree	Legal - Mary Kane	We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA	Completed
11 a)	We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis.	Agree	Legal - Mary Kane	We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA	Completed
12	We recommend the District develop a clear criteria for determining when a signed ROI form is required.	Agree	Legal - Mary Kane	We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days. See 10, above.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA	Completed
13	Develop and implement internal controls that will ensure the consistent application of a signed ROI form in applicable contracts.	Agree	Legal - Mary Kane and Emily Courtneage, Director of Purchasing & Contracting	We agree that contract managers need clear guidance on when to include the requirement of signed ROIs in their contracts. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.	Legal - Mary Kane:	Legal - Mary Kane:	Legal - Mary Kane:
					General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA	Completed
13 a)	We recommend the District consider providing Contract Managers with training that will detail guidance and expectations to ensure they have an adequate understanding of the criteria for which a signed ROI form is required and the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.	Partly Agree	Legal - Mary Kane	We agree subject to the conclusions reached in the analysis required in 10 and 11(a), above; however, training may not be implemented within 60 days.	General Counsel's office has determined that Release of Information forms are not required because the contractors' responsibilities are covered as "school officials" for purposes of FERPA (Family Educational Rights and Privacy Act).	NA	Completed

14	<p>We recommend the District review contract payment processes and procedures for process improvements and efficiencies to ensure payments to contractors are made timely as required in the contract. Additionally, we recommend the District document the date the invoice was received.</p>	Agree	<p>Tracy Pinder, Director of Financial Services</p>	<p>We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.</p>	<p>The Accounts Payable (AP) Team consistently reviews business processes for improvements and efficiencies. Additionally, AP is working with our Financial Systems Team on areas within our ERP to streamline invoice entry, looking to decrease Accounts Payable turn time. The Request for Payment on a Contract (RFP) form has been updated to include an "Invoice Receipt Date" to better track the flow from invoice receipt to invoice payment. (The mandatory contracts training course has also added language that contract managers should document the date of receipt on the invoice and RFP.)</p> <p>In addition to the mandatory contracts training course, the Finance Team utilizes other training opportunities for those who hold fiscal responsibility, including principal's secretaries, business analysts, bookkeepers, business managers and administrators. This training is meant to ensure understanding of budgeting, appropriate expense codes, purchasing & contracting and accounts payable.</p>			<p style="text-align: center;">On Target</p>
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15	We also recommend the District consider centralizing the receipt of contract invoices.	Partly Agree	<p>Tracy Pinder, Director of Financial Services</p>	<p>We partly agree with the recommendation, as centralizing receipt of invoices is a suggested best practice. However, implementation would be a significant shift in current practice and would require additional central office FTE to manage all District invoices centrally.</p>	<p>Due to the number of schools, programs and departments within the District, it is difficult to centralize receipt of invoices.</p> <p>Currently, the Finance Team relies on education for those who hold fiscal responsibility. This training is meant to ensure understanding of the contract management cycle, from contract inception to invoice payment. In addition to the contract training course in Pepper, the Finance Team delivers training to principals secretaries, bookkeepers and business managers annually in August. Also, beginning in fiscal 2019, as part of the New Administrators Mentor Program, the Finance Team presented similar training to school Administrators.</p> <p>Additionally, the Accounts Payable Team includes monthly Supplier Statement reconciliation as part of their business processes.</p>	<p>On Target</p>
17	Develop and communicate oversight of contract management responsibilities, including how performance of contract management responsibilities will be evaluated. To achieve this, we recommend the District consider updating position descriptions to include contract management responsibilities and include an evaluation of the performance of these responsibilities in the staff member's annual performance evaluation.	Partly Disagree	<p>Instructional Leadership & RESJ leadership</p>	<p>In most cases, the responsibility of contract management is not specific to a job. For example, we may have an Academic Program Manager who has responsibility for a contract but the majority of individuals who are Academic Program Managers do not have this responsibility. We do not have the ability to track every single assigned duty in a job description.</p> <p>Instructional Leadership partly agrees with the recommendation to include contract management in performance evaluation. Depending on the contract manager and the situation, contract management will only be included in performance evaluation where appropriate.</p>	<p>Instructional Leadership: Instructional Leadership: On an as needed basis performance evaluation will include an employee contract management performance.</p> <p>RESJ leadership: 1. Develop job description for RESJ partnerships programs manager, and RESJ Project Manager to include contract management and oversight responsibilities. 2. Hire staff. 3. RESJ and SPP will develop an evaluation process for RESJ Contracts. SPP Staff assigned to conduct the evaluation annually..</p>	<p>Instructional Leadership: March 2021</p> <p>RESJ leadership: 1. Complete 2. Complete by December 2020 3. see above</p> <p>RESJ leadership: 2. Hired RESJ Project Manager, conducting interviews for RESJ Partnership Program Manager in January 2021. 3. SPP and RESJ Advisory are working with RESJ partners to develop comprehensive evaluation process to begin in 2021/22 SY.</p> <p>On Target</p>

18	Prior to assigning a Contract Manager, supervisors of the proposed Contract Manager should evaluate the positions' other roles and responsibilities to ensure those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions	Partly Disagree	Instructional Leadership & RESJ leadership	Instructional Leadership partly agrees with this recommendation. Supervisors will review workload with managers in general, but it is incumbent upon the manager to ensure that they have completed all duties of contract management and to surface any challenges with their supervisor.	Instructional Leadership: As needed Supervisors will ensure contract managers are able to fulfill their contract manager duties. RESJ leadership: 1. Develop job description for RESJ partnerships programs manager, and RESJ Project Manager to include contract management and oversight responsibilities	Instructional Leadership: March 2021 RESJ leadership: 1. Complete	Instructional Leadership: RESJ leadership:	Instructional Leadership: Completed RESJ leadership:
19	We recommend the District take additional steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts. To achieve this we recommend the District consider scaling the District's comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ partnership contracts to include all of the District's personal service contracts with educational partners.	Partly Agree	Instructional Leadership & RESJ leadership	Instructional Leadership and RESJ leadership agree to partner on the updated processes for personal service contracts. RESJ leadership has collaborated with Instructional Leadership in the development of the RESJ Partnerships Investment Strategy as well as the RFP process. Instructional Leadership staff and members participated in the RFP scoring process and has committed to working in collaboration with RESJ to support ongoing relationship development with contractors at school sites. This includes participation in quarterly data review meetings and convenings aimed at increasing collective impact. We will have an implementation plan within 60 days.	Instructional Leadership: We will continue to partner with RESJ leadership in the development of the RESJ Partnerships and Investment Strategy as well as the RFP process RESJ leadership: 1. RFP process occurred in Summer 2020. 2. All contractors will meet with OSP, OSS and principals to start the contract year and review contract deliverables. 3. Quarterly meetings to be scheduled.	Instructional Leadership: March 2021 RESJ leadership: 1. Complete. 2. In process, fully completed by November 2020. 3. Completed by November 2020.	Instructional Leadership: RESJ leadership: 1. Completed. 2. Completed - all contractors met with school site principals, Chief of Schools and Chief of Systems Performance to discuss contract scope of work, deliverables and reporting. 3. First quarterly meeting was held November 16th. In addition to the Superintendent and Superintendent's leadership team, OSP and principals attended the meeting along with partner staff. The second will be held on February 17th and the third is scheduled for May 13th.	Instructional Leadership: On Target RESJ leadership: On Target