

Contracts Refresher Training

October 3, 2017

Training Goals

- Communicate updates and changes to NC DHHS and DPH contracting policies and procedures.
- Review challenges seen in the contracts process.
- Facilitate a Q&A session for Contract Administrators.

Updates & Changes

State / Block Grant Funds

Contract Period

The State Fiscal Year runs from July 1 – June 30. However, the service period is June 1 – May 31.

Contracts funded by State Dollars or Block Grant

Must run on the SFY service period (6/1 – 5/31).

Block Grants: TANF, Preventive Health BG, Substance Abuse BG, Maternal & Child Health BG, and DCDEE funds.

Nonprofit Salary Cap

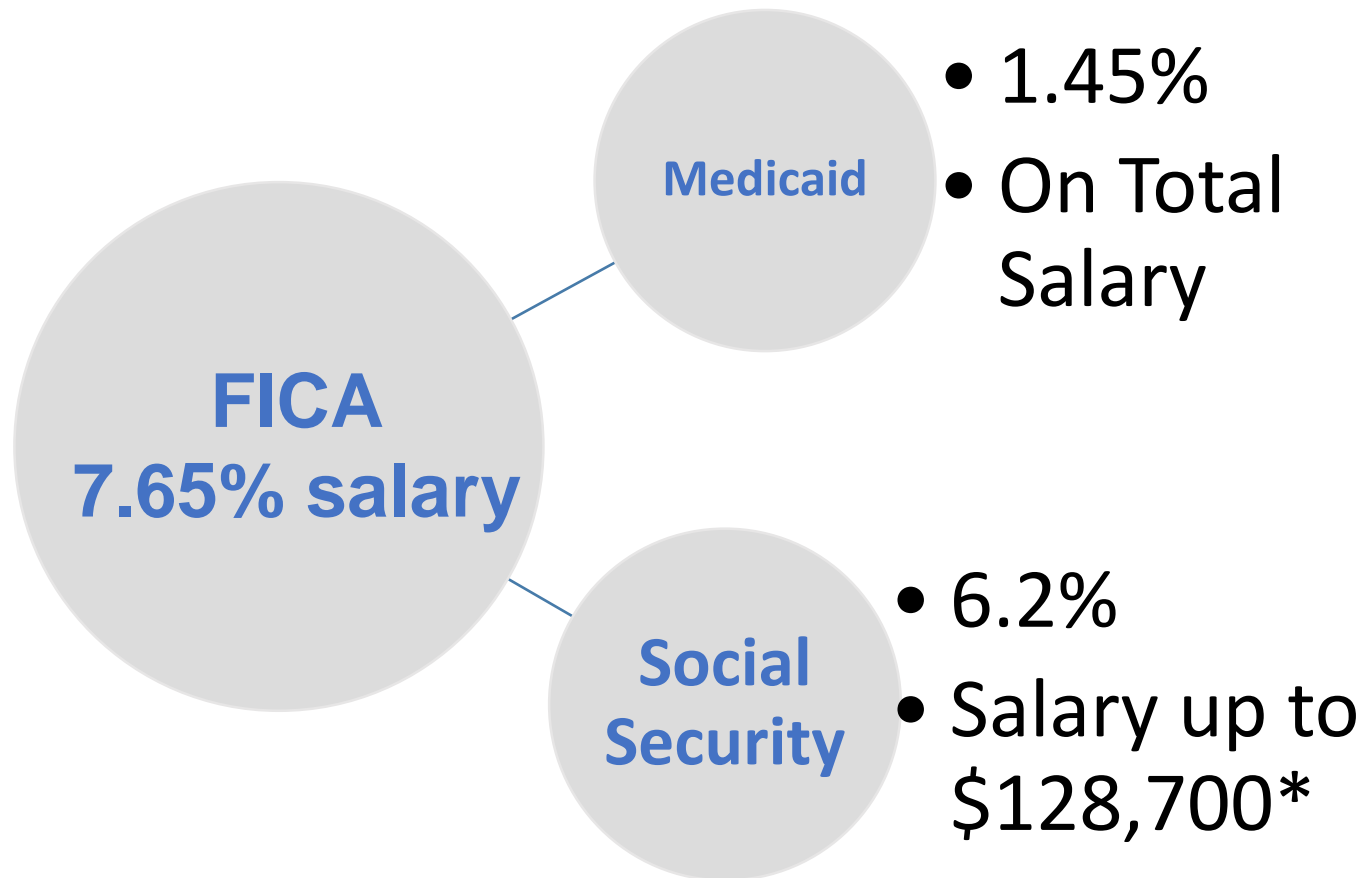
Part IV, Section 6.4 of Session Law 2017-57 restricts the amount of annual salary an individual employee of a nonprofit organization can be reimbursed with state funds*.

Cap: \$120,000

*The State Budget Manual defines state funds as any funding which passes through the State of NC (including federal grant dollars).

Benefit and Salary Caps

Federal Insurance Contributions Act (FICA)



*Effective 1/1/2018. Rate for 2017 was \$127,200.

NC Grants

- OSBM launched a new grants system on 9/5/17.
- Combines CRIS and NCGrants.
- Nongovernmental Grantees (FA contracts) should continue to email their required annual reports to NCGrantsReporting@dhhs.nc.gov
- Contact Curt Martin with questions or to request view-only access.
- No Contract Administrator should have editing rights. Creating awards is a Contracts function.

Iran Divestment Certification

- Vendor certification requirement under the Iran Divestment Act has been eliminated effective October 1, 2017.
- Contract templates (e.g. RFA Template) will be updated to reflect the change.
- State P&C and IT will also likely be changing templates at this time so be sure to use the most recent forms if you're working on a procurement.
- Office of State Treasurer still maintaining the list. Should be checked prior to contract award.

Conference Services Policy

- New DPH Conference Services Policy went into effect 8/14/17.
- Result of federal audit findings.
- Contracts for services must be generated.
- Policy, Forms, Instructions posted on DPH Employee Toolkit under the folder entitled, “Conference Authorization”

<http://ncpublichealth.com/employees/forms.htm>

UNC Master Agreement

- No word yet on new benefit rate agreement between UNC and NC DHHS, however, UNC should be allowed to use the rates as stated in Session Law 2017-57 as of 7/1/17:
 - State Employee (SPA) Retirement 17.13%
 - Annual health insurance \$5,869

Audit Determination

- Purchase of Service Contracts will follow the Approval Flow Chart as usual (updated from last year).
 - If under \$200,000 and not a procurement, will not require OPCG approval.
- Stand alone Sole Source Justification Memo is still required for all nongovernmental POS contracts.

Budget Realignments

- Budget Realignments as Amendments in Open Window has been tabled.
- REMINDERS:
 - Send a copy of the final, approved realignment to your Contract Team Lead for incorporation into the contract file.
 - Feel free to ask advice/questions before approving.
 - Realignments must be incorporated into any contract amendments that are processed.

Contracts Unit

- Section Pick-Up boxes now located between C-4 & C-5, along with Drop-Off boxes.
- New Encumbrance Officer starting 10/9/17.
- Women's Health and Nutrition Services Branches transitioned fully to Sophia King.
- Chronic Disease & Injury Section will fully transition to Meena Ahuja by 10/9/17.

Contracts Forms Website

Forms will be updated with changes in the coming weeks and revised 101 and Refresher trainings will be posted.

Reminders

IT Governance

- Information Technology Governance Board (ITGB)
 - Meets on the third (3rd) Thursday of the month
 - Agenda items must be submitted 1st week of month, complete with final, required forms, signed by Director
<https://www2.ncdhhs.gov/dirm/techlibrary/>
- Project Management Office (PMO and EPMO)
 - Some IT initiatives are designated as “projects”
 - Require a PMP certified IT Project Manager
 - Managed in Touchdown, the State’s PM tool
 - “Lite” Projects

If you are in the planning phases of an IT project, contact the DPH IT Director immediately to discuss parameters.

Pre-Grant and Pre-Funding Meetings

- [Grant Application Procedure](#) was updated 5/24/16
- Required Pre-Grant Application Meeting
 - Held with a representative from each ALCS Business Unit
 - Budget / Contracts / HR / IT / Purchasing
 - Discuss planning for Procurements, Contracts, Agreement Addenda, etc. that result from the funding
 - DPH Grants Management Policy is located in the following location on the [DPH Employee Toolkit](#):
Tools → Policies and Procedures → Grants Management
- Best Practice: Hold for each new source of funding (Fed/State)

Suspension of Funding List

- Still managed and published weekly by OSBM
- <http://www.osbm.nc.gov/management/grants>
 - Click in menu to the right → 2016-17 SOFL Memos
 - Click “Spreadsheet” for the current week’s list
- Contracts will continue to alert Programs when a current contractor is on the list but Program must check prior to preparing a new contracts
- Loss of transparency regarding cause/remedy

Challenges

Contracts Unit

Federal Omniscircular

- Determining Indirect Cost
- Accurate Federal Award (NOA) info
- Challenges with AA Supplements

Timeliness of Contracts

- External Contracts MUST be submitted at least 90 days prior to start date:
 - Contracts over \$200,000
 - Contracts requiring IT approval
 - Contracts requiring Public Affairs or HR Approval
- If contract requires multiple external reviews, should submit sooner.
- Internal contracts MUST be submitted at least 60 days prior to start date.
- Too many contracts are being submitted late.

RFAs

- Discuss RFA timeline with Contracts Team Leader.
- 30 days “on the street” not counting State holidays.
- Timeline should be reasonable and allow for an appropriate amount of time for RFA review, Q&A, and application review.
- If Local Health Departments are applying, timeline must end with an award notification date prior to “Magic Friday” (1st Friday in December).

CERs

- Check accuracy of Contractor's CER.
 - Correct month? Not a duplicate? Correct IDC?
- Must have original, authorized signatures.
 - If signatories change, notify Contracts Team Lead ASAP so a new form can be sent.
- Must be submitted by 10th/mo even when \$0.
- Cannot be pre-dated.
- Contractor Amount column should NOT be used unless contract has tracked in-kind match.

CERs

- Must have correct and current Contract & PO#s.
- Must have correct codes and amounts to be applied per PO line → UP-TO-DATE template.
- Current NCAS sheets must accompany CER:
 - PLF: PO Line Financial Information
 - PMI: PO Invoice Matching Information
 - 162: once funds checking is on (on as of 10/1/17)
- Must be submitted timely.
- Use expiring funds first!!

Q&A

Open Floor