OFFICE OF POLICY, PROCEDURES, AND TRAINING
James K. Whelan, Executive Deputy Commissioner

POLICY BULLETIN #19-53-OPE

PREVENTION AND COMMUNITY SUPPORT (PCS) CONTRACT MONITORING GUIDE

Date: October 25, 2019	Subtopic(s): Homelessness Prevention Administration (HPA)
	This policy bulletin is to inform Homelessness Prevention Administration (HPA) staff of the new Prevention and Community Support (PCS) Contract Monitoring Guide. The PCS Contract Monitoring Guide provides instructions to staff on the required practices for monitoring contracts with HPA's Homebase providers to ensure that providers fulfill contract deliverables and provide quality services. *Effective Immediately* **Attachment:** **HPA-98** Prevention and Community Support (PCS) Contract Monitoring Guide

HAVE QUESTIONS ABOUT THIS PROCEDURE?
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Distribution: X

PREVENTION AND COMMUNITY SUPPORT (PCS)

CONTRACT MONITORING GUIDE
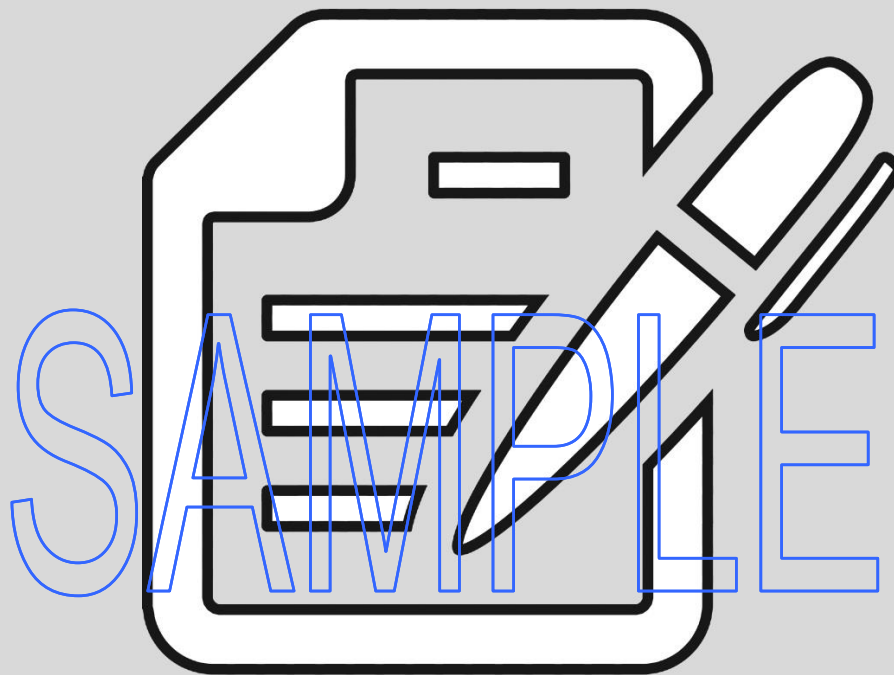
NYC **Human Resources Administration** | Homelessness Prevention Administration
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■ INTRODUCTION

The administration of contract monitoring is the process of ensuring that providers conform to the contract deliverables, including but not limited to, quality and timeliness of performance, fiscal administration, and accountability. The process consists of a variety of activities conducted throughout the City fiscal year or contract year and/or contract term. Activities may include, but are not limited to:

- Scheduled and Unannounced Site Visits

  - Conduct case reviews

  - Monitor program operations

  - Attend team meetings for sharing information and providing technical assistance

- Fiscal Administration

  - Analyzing contractual performance reports

  - Reviewing provider budgets against the scope of work defined in the contract

  - Analyzing and comparing budgets and spending patterns

  - Reviewing provider expense reports against claims submitted to the Human Resources Administration (HRA)

- Technical Assistance

  - Addressing program issues and needs identified by providers, HRA, and/or oversight agencies.

The underlying purpose of contract monitoring is to identify gaps and deficiencies, which if not corrected, could result in fiscal impacts, failure to provide quality services to the community, and negative reputational effects. Monitoring also allows for providers to demonstrate and share program and client successes. The goal of this guide is to lay out and emphasize the importance of contract monitoring and to establish practice expectations for monitoring.

Contract monitoring provides an opportunity for HRA to see firsthand the work being accomplished by providers. If performed properly, monitoring can be a positive experience that allows HRA and the provider to work together to enhance services provided to NYC's most vulnerable populations. The HRA Prevention and Community Support (PCS) unit's approach is founded on building open communication and cooperative relationships with providers, and utilizes the activities set forth in this guide as an opportunity to not only identify areas for improvement, but also highlight outstanding performance and best practices.

For an electronic version of the Procurement Policy Board Rules, which govern the procurement of goods, services, and construction by the City of New York, please see their page on the New York City website at www.nyc.gov/ppb.

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■ PROGRAM MONITORING

Programmatic monitoring includes ongoing periodic reviews that determine if service delivery is consistent with contract requirements. Program monitoring for Homebase contracts may include any or all of the following:

- Reviewing the enrollment reports and other case reporting and tracking materials to confirm achievement of goals.

- Reviewing client case records to check on the nature and quality of the services being provided.

- In-person meetings, unscheduled telephone checks, discussing, and observing service delivery staff and others to determine if the services are being performed according to the contract.

➢ PROCEDURES FOR ON-SITE CASE REVIEW

PCS will complete two case file review cycles for each contract per contract year. Each case file review will involve the selection of five (5) to seven (7) cases of the following case types:

- Cases involving Families with Children, Adult Families and Single Individuals.

- Closed cases (Providers will be given advance notice of the cases selected to ensure that the required files are on site.)

- Open cases (Providers will not be given advance notice of all the cases selected.)

PCS will also conduct at least one unannounced visit at each location during the contract term that will involve a walk-through of the location noting items such as signage, staffing, and accessibility, as well as the equipment and the overall facility. Additionally, this visit may also include a review of open cases and at least one interview with provider personnel will be conducted.

The case review schedule will be outlined in advance of the beginning of the contract year (October - September). The schedule will include the case review visit dates, the dates by which the staff must complete the assessments, and the date the monitoring letter is due back to the providers (within approximately 30 days of the review).

TRAINING PCS STAFF

Before beginning the case review, the PCS staff member designated as the evaluator should be familiar with the requirements and the design and operation of the program being evaluated. PCS conducts preparatory training sessions with the unit staff to ensure a clear understanding of how to conduct the review and a consistent application of the Evaluation Tool(s) during case review.

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➤ PROCEDURES FOR ON-SITE REVIEW *(continued)*

CASE FILE SELECTION

The general standard for determining the size of the sample is no less than five (5) to seven (7) cases per contract. Depending on the resources at hand and the scope of the review, the sample size may increase or decrease. Cases may be selected for review by using a random selection method or a planned selection method.

The reviewer may consider adding records to the selection in order to:

- Include a specific type of record(s), such as:

    - Enrollment types

    - Referral types

    - Levels of services

- Include additional records with the same characteristics. If trends and patterns indicate concerns during the review of the initial selection, the reviewer may choose to expand the sample (e.g., same problem category, same staff person, same activities or other characteristics). This will help determine whether concerns are isolated events or represent a systemic issue.

- Address any compliance concerns or if the reviewer finds substantial differences in terms of size, complexity, or other factors from other projects the contractor has undertaken.

IMPLEMENTATION

There are four general steps for the implementation of the on-site case file review:

1. **NOTIFICATION EMAIL**

    The Notification Email begins the monitoring process. The email may include the following:

    - Confirmation of the date and scope of the review:

    - List or description of materials to be reviewed; and

    - Specifics of the review:

        - Duration of monitoring

        - Staff involved, request for designated program staff to be available

        - Any space requirements.

2. **ENTRANCE DISCUSSION**

    An entrance discussion must be held with key staff identified by the provider to ensure a clear understanding of the purpose of the monitoring visit and answer any initial questions they may have. PCS must make it clear that this is not a punitive exercise, but rather an effort to provide tailored technical assistance, if/where needed.

➢ PROCEDURES FOR ON-SITE REVIEW *(continued)*

IMPLEMENTATION *(continued)*

3. EXIT DISCUSSION

Meet with provider management to provide the preliminary results of the monitoring visit and identify any deficiencies. Allow for the provider to correct any misconceptions or misunderstandings, and if any deficiencies have been identified, allow for the provider to report on any corrective actions that may already be underway.

4. MONITORING LETTER

The Monitoring Letter officially addresses the findings of the review, including:

- The specific findings;

- The expected standard (the regulation or provision in the contract/program guide);

- The work improvement plan(s) expected with established deadlines;

- Feedback from staff interviews;

- Positive observations;

- Needed areas for technical assistance; and

- Reminder that the Monitoring Letter must be maintained by the provider.

■ PERFORMANCE MANAGEMENT

This section of the guide is designed to provide guidance for monitoring provider performance in meeting contractual service objectives. The goal of performance management is to actively use programmatic data and monitoring methods to help drive performance. Performance management may include any or all of the following:

- Establish and communicate provider data reporting standards

- Develop internal methods of reviewing enrollment and service level data

- Generate analytic reports and ongoing management review

- Share weekly, year-to-date, quarterly and annual reports and inquire on performance

- Work with providers to develop a work improvement plan

- Monitor provider work improvement plans to ensure compliance

- Share best practices and service delivery and outreach techniques among the providers to help promote achievement of service goals

- Provide ongoing technical assistance to the provider.

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■ PERFORMANCE MANAGEMENT *(continued)*

➢ COLLECTING AND ORGANIZING SERVICE DATA

Providers are expected to review scorecard, enrollment, and service data reports. Additionally, providers are expected to share feedback on the progress towards achieving their contractual service goals according to the terms of their contract. Reporting may include utilizing the Client Assistance and Rehousing Enterprise System (CARES) and other agency systems. For special projects, this may also include submitting weekly, monthly and/or quarterly reports utilizing an agreed upon format established by HRA/PCS in conjunction and agreement with the provider.

➢ PERFORMANCE REVIEW

The performance review process includes generating reports which summarize data for a specific time period and management meetings to review the reports. The timeline for reports and review should align with the reporting cycle established in the provider's contract. Performance reports are shared with providers to assist with the management of the program. When necessary, PCS will work with providers to develop realistic work plans that are monitored by HRA to ensure compliance. Furthermore, PCS Managers share best practices, service delivery, and outreach techniques among the providers to help promote achievement of service goals.

➢ QUALITY ASSURANCE AND TECHNICAL ASSISTANCE

As part of the contract monitoring process, Contract Managers must routinely run and review the following data reports to ensure data integrity and provide technical assistance when needed:

- Weekly and Year-to-Date Enrollment Reports
- Quarterly and Annual Scorecards
- Service Reports (90-day indicator, 120-day indicator, etc.)

Depending on the monitoring area of concern, providers who are substantially overperforming or underperforming may be required to submit written justification to provide an explanation. Part of the performance review with PCS management, team, and the provider is to develop strategies to improve performance.

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■ FISCAL MONITORING

NYC Health and Human Services (HHS) Accelerator Financials provides an electronic process for managing budgets, invoices and payments for HRA's portfolio of contracts. The system facilitates increased accuracy, accountability, and simplifies the payment process between providers and HRA. The system features:

- A standardized budget template

- Increased transparency

- A shared interface to conduct contract transactions

- Improved efficiency for contract and budget management

- Document storage vault for safe keeping and easy access to documents

- Management reporting section for an overview of all expenditures

To ensure proper submission of program budgets and invoices, providers utilize the PCS Homebase Fiscal Guide. The guide provides clear directives to help providers configure, update, and submit budgets and invoices while utilizing all the available resources in HHS without discrepancy.

➤ PROGRAM AREA BUDGET COMPARISON

Once all the provider budgets have been submitted and approved using the standards set forth in the PCS Homebase Fiscal Guide, PCS can compare provider budgets within a program area to identify budget allocation variations (for line- tem budgets only). In the event that there are outliers, the Contract Manager will reach out to providers to learn more about the provider budget allocation methodology and provide technical assistance if needed.

➤ EXAMINE MONTHLY INVOICES

On an ongoing basis, the Contract Manager will utilize the following methods to review invoices:

- Examine for cost irregularities, specifically significant spikes in costs that one would expect to be consistent (e.g., rent, certain Other Than Personal Service (OTPS) line-items, etc.).

- Monitor spending patterns in relation to a fiscal year or contract year budget line-item allocation. For example, by the third month of the contract, the provider has already claimed most or all of a fiscal year or contract year allocation to a particular line-item. This would not apply to one-time costs, but to items that are expected to be consistent throughout the fiscal year or contract year.

- Review financial assistance to clients by ensuring that all payment amounts and dates are entered correctly into the system of record (CARES). Providers are required to enter financial assistance requests in CARES, which can be later reconciled. When cost irregularities are identified, and/or concerns are raised by spending patterns, Contract Managers will contact providers for clarification. This information will be taken into consideration during the review and approval process.

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■ **FISCAL MONITORING** *(continued)*

➢ **EXPENDITURE REVIEW**

Once provider invoices have been approved, the Contract Manager will randomly sample provider invoice expenditures. At the conclusion of the evaluation, the Contract Manager will meet with PCS management to discuss evaluation outcomes, and, with management guidance, a level of fiscal risk is assigned and recommendations for next steps are completed.

The Contract Manager may request supporting documentation to be submitted as part of the invoice through HHS Accelerator. The Contact Manager evaluates the provider's submission by comparing the supporting documentation to the amount being claimed or the contract goals. Any discrepancy identified will need to be reconciled by the provider prior to HRA approval.

■ **PERFORMANCE EVALUATION**

Every year, PCS must complete a Performance Evaluation (PE) for each vendor. These evaluations are completed in the PASSPort system, which is managed by the Mayor's Office of Contract Services (MOCS). The PE is always comprised of three categories, each containing a variety of questions regarding different aspects of the vendor's performance. The three PE categories reviewed by the program are:

1. **TIMELINESS OF PERFORMANCE**

- Provider to conduct timely completion of service deliverables in compliance with the contract terms.

- Provider to submit timely requisition through HHS Accelerator in compliance with contract terms.

- Provider to submit timely and reasonable requests for extensions when needed.

2. **FISCAL ADMINISTRATION AND ACCOUNTABILITY**

- Provider to maintain adequate records and logs.

- Provider to submit timely payment requisition, invoices and fiscal reports, as applicable, and in compliance with the contract terms.

- Provider to comply with applicable living wage requirements.

3. **PERFORMANCE AND OVERALL QUALITY OF SERVICE/GOODS**

- Staff will compile and review the results of performance reporting, case file reviews, site visits, and client complaints to make this assessment.

Based on the ratings selected by the evaluator and the category weights defined by the assigned PE Manager in PASSPort, the system will generate an overall PE score and rating for the vendor.