

## First 5 Commission of San Diego

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**Subject: Contract Extensions**

Policy Number: F5C-021

Effective Date: April 2, 2018

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### **Purpose**

To establish a policy and provide guidelines for extending the terms and/or funding of grants and contracts for services.

### **Background**

The California Health and Safety Code Section 130140(d)(4)(B) requires county First 5 Commissions to adopt, in a public hearing, contracting and procurement policies that are consistent with state law. In addition, the Health and Safety Code Section 130151(b)(1) requires that the Commission's contracting and procurement policies contain provisions to ensure that its grants and contracts are consistent with the Commission's Strategic Plan.

As specified in its Strategic Plan, the First 5 Commission of San Diego (Commission) is accountable to the community and the children for the use of its funds. The Commission has adopted policies regarding contracting and procurement to serve as guidance as well as to provide basic information to the public.

This Policy on Contract Extensions pertains to all Commission contracts receiving funds to provide services to children, families, communities, and the Commission.

Commission approval for contract extensions is required for additional option periods and funding beyond what was originally approved as a contract award. The Financial Spending Plan and annual budget approval satisfies this requirement.

Per Policy F5C-003: Commission Funding Process, Commission staff performs a risk assessment and develops a compliance monitoring plan that is documented in the contractor's file. The monitoring plan specifies the schedule for monitoring the contract, and describes the methods that will be used for monitoring, such as reports, site visits, and/or quality assurance reviews.

The Commission's contract monitoring process assists the contractor and the Commission to identify contract compliance issues as early as possible. When it is determined that a contract is out of compliance with the Commission's contract requirements, the contract monitor initiates a corrective action process that specifies the changes needed for the contractor to come back into compliance with contract requirements.

### **Policy**

Commission approval is required for additional option periods, or additional funding beyond the term of a contract.

### **Procedures**

1. To be eligible for option year funding, a contractor must have complied with the Commission's required reporting responsibilities, must be making expected progress in meeting the program's process and outcome objectives, and must be meeting the general requirements of the contract's terms and conditions.

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2. If it is determined through the contract monitoring process that a contractor is meeting or exceeding contract requirements, the Executive Director has the authority to approve the contract extension.
3. If monitoring indicates that a contractor is out of compliance with contract obligations, Commission staff will follow procedures for corrective action. The corrective action process includes:
  - Documented meetings or other communications with the contractor to clarify and resolve compliance issues.
  - Provision of technical assistance, if appropriate.
  - Development of a plan for corrective action, including timeframes for correction, follow-up, and consequences for lack of improvement.
  - Assistance, if needed, from the HHS Agency Contract Support, the County Contract Compliance Office, and/or County Counsel on issues of non-compliance and possible contract termination or other action.
4. If a corrective action is implemented late in the contract period and the contractor is showing reasonable progress in complying with the corrective action plan, the Executive Director has the authority to approve a contract extension.
5. In cases where all steps of the corrective action process have been exhausted, and a contractor is not meeting contract requirements or other performance criteria, the Executive Director may determine that the contract is not eligible for a contract extension. In these instances, the Executive Director will update the Commission on the contractor's performance status.
6. Commission approval is required for any additional contract option periods and funding beyond what was approved at the time of contract award. The Financial Spending Plan and annual budget approval satisfies this requirement.
7. No-cost extensions to the term of a contract may be approved by the Executive Director.

Sunset Review: April 2021

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Revised: June 3, 2009 (1), June 4, 2012 (2), June 29, 2015 (2)

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