



County of Los Angeles
INTERNAL SERVICES DEPARTMENT

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DAVE CHITTENDEN
Chief Deputy Director

"To enrich lives through effective and caring service"

July 21, 2016

To: Supervisor Hilda L. Solis, Chair
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: Dave Chittenden
Chief Deputy Director

A handwritten signature in black ink, appearing to read "D. Chittenden".

RETROACTIVE CONTRACTS ANNUAL REPORT

In May 2007, the Retroactive Contract Review Committee (RCRC) was established to review any retroactive contract(s) before departments could proceed with placing the item on your Board's agenda for approval. As part of the RCRC review process, departments are required to prepare a report explaining the circumstances that led to the retroactive occurrence, the corrective action measures to be implemented to prevent reoccurrences, and any disciplinary actions imposed. For each retroactive matter, the RCRC provides a final recommendation that must be included in the subsequent Board letter.

As indicated on the attachment, Department of Mental Health presented a retroactive occurrence to the RCRC involving one contract totaling \$71,019 during Fiscal Year 2015-16. The reason for the retroactive occurrence was attributable to incorrect projections of insured clients being served and inadequate contract monitoring by the department, which resulted in services that exceeded the maximum contract amount.

Proactive Measures

As part of our ongoing efforts to reduce retroactive contracts, the RCRC will continue to work with departments who bring forward retroactive contracts to assess the circumstances that lead to non-compliance and to make recommendations to improve their processes.

Each Supervisor
July 21, 2016
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ISD will continue to report retroactive contracts to you on an annual basis. If you have any questions, please contact me at (323) 267-2103, via e-mail dchittenden@isd.lacounty.gov or your staff may contact Yolanda Young at (323) 267-3101, via email yyoung@isd.lacounty.gov.

DC:JS:YY:LG:gk

Attachment

c: ISD Board Deputies
Chief Executive Officer
Chief Operating Officer
Executive Officer, Board of Supervisors
Department Heads
Administrative Deputies
Contract Managers

ANNUAL RETROACTIVE CONTRACTS
FISCAL YEAR 2015-16

RCRC MEETING DATE	BOARD AGENDA DATE	DEPARTMENT/PROJECT	NUMBER OF CONTRACTS	RETROACTIVE AMOUNT	COMMENTS
2/4/2016	Anticipated - August 2016	Department of Mental Health <i>Legal Entity Agreement #MH121140 for Mental Health Services</i>	1	\$71,019	In FY 2014-15, New Directions, Inc. , provided services that exceeded the contract amount. Retroactive payments have not been made to New Directions, Inc., pending approval from the Board.
TOTAL			1	\$71,019	