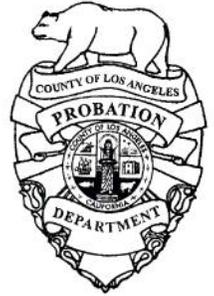




COUNTY OF LOS ANGELES PROBATION DEPARTMENT

9150 EAST IMPERIAL HIGHWAY — DOWNEY, CALIFORNIA 90242

(562) 940-2501



ROBERT B. TAYLOR
Chief Probation Officer

April 14, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

42 APRIL 14, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVAL TO MODIFY FOUR CONTRACTS WITH COMMUNITY-BASED
ORGANIZATIONS THAT PROVIDED SERVICES TO HIGH RISK/HIGH NEEDS
YOUTH UNDER THE JUVENILE JUSTICE CRIME PREVENTION ACT (JJCPA)**

(3 VOTES, ALL SUPERVISORIAL DISTRICTS)

SUBJECT:

Requesting Board approval to modify four contracts to make retroactive payments. The contracts are funded under the JJCPA grant.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Chief Probation Officer (CPO) to finalize and execute contract modifications with Asian American Drug Abuse Program, Inc, Soledad Enrichment Action, Inc., Special Services for Groups, and Star View Children and Family Services, to make retroactive payments, subject to final approval by County Counsel, to four JJCPA community-based organizations (CBO's), and
2. Authorize the CPO to utilize current fiscal year JJCPA funds to make the retroactive payments in cumulative amounts totaling \$95,801 for the period of March 1, 2008 through June 30, 2008.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The purpose of the recommended actions is to make contract modifications to facilitate retroactive payments to four CBOs for services rendered in fiscal year (FY) 2007-08. The CPO or his designee will execute contract modifications to effectuate the payments funded by reductions in existing encumbrances that are projected to be under-spent within the FY 2008-09 JJCPA grant.

Consistent with your Board's policy, Probation Department representatives met with the Retroactive Contract Review Committee (RCRC) to discuss the retroactive contracts. Information regarding the retroactive contracts was submitted to the RCRC on July 30, 2008, which subsequently approved the submission of this request to your Board. The retroactive contracts are identified as follows:

Asian American Drug Abuse Program, Inc. (AADAP)

AADAP provided intensive family-centered home-based gender specific services delivered to a targeted population of high-risk female youth ages 14-18 and their families in Cluster 2. This agency overspent \$23,945 during the months of March and April 2008.

Soledad Enrichment Action, Inc. (SEA)

SEA provided intensive family-centered home-based services delivered to a targeted population of high-risk youth ages 14-18 and their families in Cluster 2. This agency overspent \$26,110 during the months of May and June 2008.

Special Services for Groups (SSG)

SSG provided assessments and employment eligibility support services, job readiness training, vocational training, and full-time job placement and employment retention services in Cluster 4. This agency overspent \$37,370 during the months of March and April 2008.

Star View Children and Family Services (Star View)

Star View provided intensive family-centered home-based services delivered to a targeted population of high-risk youth ages 14-18 and their families in Cluster 4. This agency overspent \$8,376 during the month of April 2008.

Implementation of Strategic Plan Goals

The recommended Board action is consistent with the Countywide Strategic Plan Goal #1, Operational Effectiveness.

FINANCIAL IMPACT/FINANCING:

The retroactive payments will be fully offset by reducing JJCPA CBO encumbrance balances within the Probation Department's existing FY 2008-09 JJCPA budget. Consequently, no net County cost is required to fund the proposed contract modifications.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

In July 2008, the RCRC discussed the retroactive circumstances with Probation representatives, and subsequently approved the Probation Department's request to proceed to your Board for authority to make these payments. However, the RCRC's approval was preceded by and contingent upon their requirement that Probation prepare a corrective action plan (Attachment A) including strengthening internal controls to prevent future retroactive contracts. In addition, the RCRC required that Probation establish and disseminate policy (Attachment B) defining a program manager's individual responsibility for ensuring contract services do not become retroactive, and specificity that retroactivity will result in corrective disciplinary action. The RCRC also requested that this Board letter describe, as follows, the detailed circumstances which gave rise to the retroactive contracts.

The Probation Department uses JJCPA funding to contract with CBO's throughout the County to provide direct services to youth. A Probation Central Processing Unit receives DPO youth service referrals, and matches those referrals with a CBO in the community where each youth resides. The Central Processing Unit tracks the number of referrals to each CBO.

During the contract signing meeting, Probation provides both oral and written instructions to each contract CBO that they are not permitted to deviate from the scope of work as written within their respective contract, including not deviating from the level of service or exceeding the authorized contract amount. All of Probation's contracts follow County contracting guidelines for inclusion of contract language that stipulates that contractors are not to exceed, and that Probation is not liable for, services provided in excess of contract amounts, and that verbal agreements are not valid and do not modify contract terms.

Board approval of contracts provides Probation with the authority to create encumbrances within the accounting records. Encumbrances are in effect a reservation on a portion of the Department's appropriation commensurate with the Board approved contract authority. Probation's Fiscal Services Division provides a monthly encumbrance status report to operational management that defines the annual encumbrance total, year-to-date expenditures based upon invoices paid, remaining encumbrance balance, and an estimate of the amount that will be spent through fiscal year end given the to-date spending patterns. The encumbrance status report also specifically highlights CBO's with expenditure patterns projected to exceed encumbered amounts.

Each of the four CBO's provided services consistent with their respective service models that exceeded their contractual authority between March and June 2008, including one CBO who received verbal permission to provide services beyond their expenditure authority. Probation had delegated authority to modify each of the four CBO contracts and thereby avoid the retroactive circumstances. However, the modification authority was not exercised primarily due to the absence of a sufficiently structured process to initiate a request for the modification that would have resulted in a coordinated and timely response. To prevent this from reoccurring, Probation implemented the corrective action plan and accountability policy discussed above, including implementing a procedure requiring 120-days written notice of any operational request to exercise contractual delegated authority or to initiate a request for Board approval of a contract modification.

CONTRACTING PROCESS:

The proposed contract modifications will allow the Probation Department to pay the four contractors for services they each provided beyond the authorized contract amount. The retroactive services provided were as follows:

- A. Asian American Drug Abuse Program, Inc.: Intensive family-centered home-based gender specific services delivered to a targeted population of high-risk female youth ages 14-18, and their families in Cluster 2 (Supervisory District 2).
- B. Special Services for Groups: Individualized assessments and employment eligibility support services, job readiness training, vocational training, and full-time job placement and employment retention services in Cluster 4 (Supervisory District 4).

- C. Soledad Enrichment Action, Inc.: Intensive family-centered home-based services delivered to a targeted population of high-risk youth ages 14-18 and their families in Cluster 2, Area 1 (Inglewood/Florence/Culver City Area).
- D. Star View Children and Family Services: Intensive family-centered home-based services delivered to a targeted population of high-risk youth ages 14-18 and their families in Cluster 4, Area 2 (Torrance/Long Beach/Lakewood Area).

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of the recommended actions will enable the Probation Department to pay for prior year services provided utilizing current year JJCPA funding.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer/Clerk of the Board send the adopted Board Letter to:

Probation Department
Contracts and Grants Management Division
Attention: Tasha Howard, Director
9150 E. Imperial Hwy
Downey, CA 90242

Respectfully submitted,



ROBERT B. TAYLOR
Chief Probation Officer

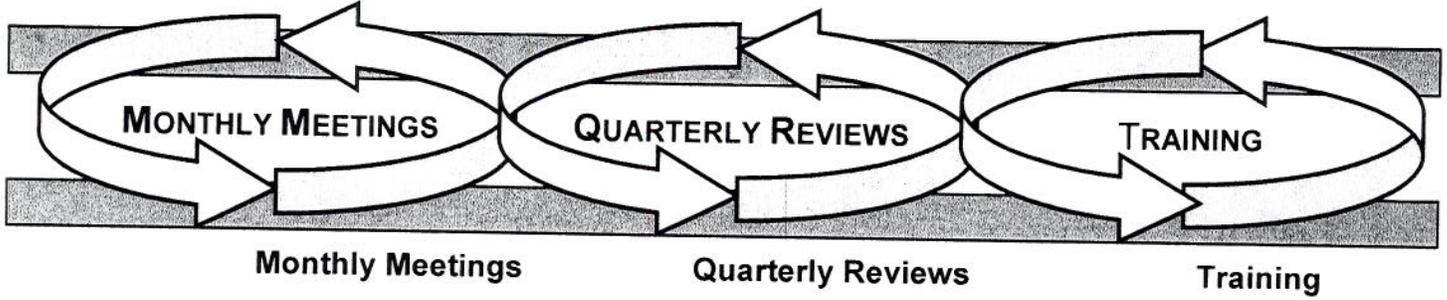
RBT:th

Attachment A – Corrective Action Plan
Attachment B – Retroactive Contract Policy

c: Executive Officer, Board of Supervisors
Chief Executive Officer
County Counsel

RETROACTIVE CONTRACT REVIEW COMMITTEE (RCRC)

Corrective Action Plan



	Monthly Meetings	Quarterly Reviews	Training
Goals	Control (report) and recognize (record) expenditures in the accounting period in which they are incurred and combine records with referrals made to agencies.	Ensure that internal controls over expenditures remain within contracted amounts and do not exceed approved budget without proper authority.	Provide an overview of the County's contract administration process with an emphasis on authority, contract terms and finance, including legal authority and compliance with terms and conditions.
Corrective Action Plan	<ul style="list-style-type: none"> • Probation's Central Processing Team (CPT) and Fiscal will meet face-to-face to reconcile billing and Community-Based Organizations providers' (CBO) referrals • Fiscal will produce a document recording the actual expenditures for the month and CPT will produce a document of the agency referrals 	<ul style="list-style-type: none"> • To assess spending patterns, review projections and make recommendations to limit service referrals, shift funding and/or execute the Department's delegated authority • To inform and guide the Contract Monitoring quarterly audits and review process • To trigger Operations, Fiscal and Contracts to develop a comprehensive plan that includes face-to-face meetings with CBO providers and written instructions that include available contract balances (and the equivalent available service hours) and a summary of referrals 	<ul style="list-style-type: none"> • Training of Probation managers and staff responsible for contract oversight • Training of CBO providers • Ongoing quarterly booster trainings with CBO providers to document and discuss relevant issues pertaining to the contract, with an emphasis on expenditures, referrals and treatment services
Attendees and Feedback Mechanism	<p>Fiscal and Operation's Supervisors (CPT)</p> <p>Fiscal and Operations will prepare a document recording current expenditures, spending patterns, available contract balance and report to Probation Managers and Department Division Chiefs.</p>	<p>Probation Managers, Fiscal, Contracts and Contract Monitoring</p> <p>Review controls and establish a monitoring and corrective action plan that includes realigning funds and referrals for CBO providers projected to overspend or underspend.</p>	<p>Probation Managers, Fiscal, Contract Monitoring and CBO providers</p> <p>Review contract administration process to ensure services and expenditures remain in accordance with contract requirements.</p>

COUNTY OF LOS ANGELES
PROBATION DEPARTMENT
DIRECTIVE

No.	1178
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Issued:	11/26/08
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Post Until:	12/26/08
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SUBJECT: EFFECTIVE OVERSIGHT OF CONTRACTED SERVICES

The purpose of this Directive is to provide information and guidelines that define the oversight and processing of contracts assigned to the Department, and to assign individual responsibility for each vendor's provision of services. This Directive is intended to ensure an effective internal control structure and management oversight of available funding to sustain service levels without exceeding Board of Supervisors approved contract amounts or contract periods.

Once available funds have been identified, the Bureau Chief will assign contract/grant responsibilities to the appropriate Program Manager. Within the first quarter of the contract period, the Bureau Chief will ensure that the Program Manager has received or will receive Departmental mandated training that provides an overview of the County's contract administration process with an emphasis on authority and compliance with contract terms and conditions.

Responsibilities of the Program Manager include:

- ensuring that the objectives of the contract are understood and met and deliverables are provided;
- meeting with Contractor's Project Director on a quarterly basis;
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor;
- reviewing and approving monthly invoice expenditures
- ongoing tracking of approved program service units and invoices as a periodic early indicator of spending trends in conjunction with available funding;
- ensuring services do not extend beyond or precede contract periods, and
- ensuring service levels and unit costs are in compliance with contract terms.

Fiscal Services will provide each Bureau with estimated-actual reports beginning the fourth month of the fiscal year and every month thereafter through the end of each fiscal year. The estimated-actual reports provide encumbrance amounts, known to-date expenditures (based upon invoiced amounts) against each encumbrance, and a projection of anticipated total annual spending. Ad hoc encumbrance and expenditure reports or spreadsheets can be developed upon request.

Probation Managers, Fiscal, Contracts and Grant, and Contract Monitoring will meet quarterly to review established controls and to determine if the need exists to exercise the Department's contract modification authority. The Contracts Director will determine if delegated contract modification authority exists and provide guidance including a timeline, and the anticipated contracted amount increase. If delegated authority does not exist, thus

MANUAL HOLDERS: CROSS-REFERENCE YOUR MANUALS TO THIS DIRECTIVE WHERE APPROPRIATE

requiring approval of the Board of Supervisors, managers are to notify the Contracts Director in writing at least 120-days in advance or upon becoming aware to ensure adequate time to obtain Chief Executive Office (CEO) approval and schedule the item for the Board's agenda. All requests for delegated authority or contract modification are to be made utilizing the attached form.



Robert B. Taylor
Chief Probation Officer