State of Connecticut

Department of Housing

Plan for Procurement of Human Service Contracts

State Fiscal Years 2016 – 2018

I. Introduction

The State Department of Housing (DOH) is the State’s lead agency on all matters relating to housing and is responsible for advancing strategies and administering programs that promote the development, redevelopment, and preservation of housing for very low, low and moderate income families, community revitalization as well as financial and other support for our most vulnerable residents.

Pursuant to Public Act 13-234, effective in most respects as of July 1, 2013, DOH assumed full responsibility for the administration of a wide variety of housing services and housing and community development programs from multiple state agencies, including the Departments of Economic and Community Development, Social Services (DSS) and Mental Health and Addiction Services (DMHAS) as well as the Office of Policy and Management (OPM). Among these programs are human service contracts for which DOH contracts with third parties pursuant to Purchase of Service (POS) contracts.

This plan, which covers the period encompassing State fiscal year (FY) 2016 through FY 2018, is being submitted to OPM for its review and approval.

II. Purpose of Plan

This plan describes the approach that DOH intends to take for the procurement for the purchase health and human services in connection with DOH’s programs for the period encompassing FY 2016-2018. This plan is designed to meet DOH’s operational and programmatic objectives and comply with all applicable state statutes (including Public Act 07-195), regulations, and policies. DOH is committed to an open and transparent competitive procurement system.

In addition to compliance with applicable state legal requirements, this plan is designed to comply with DOH’s federal legal requirements as several of the programs for which DOH intends to purchase health and human services during the subject period are funded in whole or in part with federal funds.

As a new agency that has assumed responsibility for programs previously administered by other state agencies, DOH intends for this plan to reflect the agency’s interest in a fair, open, consistent, and responsive procurement process in order to ensure the maximum effectiveness of the state resources committed to purchase health and human services in connection with its programs.

While the approach, guiding principles, and processes for these procurements are outlined in this plan, DOH may need to modify this plan based on changes in the operational capacity and needs of DOH, programmatic objectives, and applicable state and federal legal requirements. Such modifications may include, for example, the timing and sequencing of procurements, the scope of services to be procured, the length of contract, and the definition of services to be procured, services to use practice improvement methods rather than competitive procurement or services to be waived from procurement.

This is particularly true because DOH expects to continue to review the programs for which it procures health and human services, like all of its programs, carefully and with a critical eye to identify opportunities for greater efficiency and improvements in outcomes. Where such modifications to this plan are significant, DOH expects to propose them to OPM as an amendment to this plan, as approved.

III. Overview of the Need for the Purchase of Health and Human Services at DOH

In furtherance of its mission to foster a Connecticut where affordable housing in strong, vibrant, and inclusive communities is accessible to individuals and families across the state and homelessness is a thing of the past, DOH administers a wide variety of State- and federally-funded programs, performs various statutorily designated oversight and adjudicatory roles, conducts research, and sets policy.

While many of DOH’s programs involve providing financial assistance to facilitate the creation and preservation of affordable and supportive housing, including both multi-family and homeownership projects, and congregate housing for the frail elderly, DOH’s Individual and Family Support Programs (IFSP) unit focuses on providing assistance to low- and extremely low income individuals and families to reduce and eliminate homelessness in the State.

Programs administered by the IFSP unit include funding emergency shelters, transitional living programs, rental assistance, rapid rehousing, foreclosure prevention, mobility counseling, security deposit guaranties, homelessness prevention services, and the establishment of a new coordinated access system statewide that offers comprehensive assessments and referral services to meet the housing needs of vulnerable individuals and families.

In FY 2014, the first fiscal year in which DOH administered programs involving the procurement of health and human services under POS contracts, DOH was a party to 109 POS contracts, all of which had previously been executed on behalf of the State by DSS. The vast majority of these contracts (approximately 99) were amended prior to the end of FY 14 to extend their respective terms for an additional one-year period (i.e. the end of FY 15) and to provide for approximately level funding, within the limits of the budget authority that had been transferred to DOH at the outset of FY 14.

At the start of FY 15, DOH undertook a strategic overview of the programs in the IFSP unit to identify the priorities for in-depth programmatic review and re-procurement. Based on this review, three programs were selected for in-depth programmatic review and re-procurement within FY 15 (Emergency Shelter Services, Housing Opportunities for Persons with AIDS, and Mobility Counseling). In addition, three programs were selected for in-depth programmatic review and re-procurement during FY 16 (Eviction Foreclosure Prevention & Security Deposit Guaranty, AIDS, Rapid Rehousing). The Transitional Living Program was selected for in-depth programmatic review during FY 16 in connection with an Alternative Practice Improvement Approach. A final program (Section 8/Rental Assistance) was selected for in-depth programmatic review and re-procurement during FY 17.

IV. Procurement Process

In its procurement of health and human services contracts, DOH’s goal is to ensure a fair, open, consistent, and responsive procurement process from the start. In connection with its own internal review of the program for which services are to be procured, DOH will ordinarily seek input from existing contractors and, as applicable, other state agencies and interagency bodies, federal officials, municipal representatives, and other third-party stakeholders such as non-profit advocates. Based on this programmatic review, DOH crafts the procurement.

In the absence of countervailing circumstances, DOH procures health and human services through a competitive procurement process. The decision to conduct a competitive procurement is impacted by a variety of factors:

* Express requirements stipulated by the funding source (for example, an “earmark” or similar specification in a federal appropriation);
* The existence of potential viable alternative providers of the services in question;
* The extent to which consistency in the delivery of the services in question is needed;
* The extent to which a competitive procurement would likely result in an interruption in the services in question and the extent to which maintaining uninterrupted services is needed;
* The attendant costs and the risk of harm to program beneficiaries resulting from a transition to a new service provider;
* Contractor performance issues; and
* Funding availability.

The analysis also considers whether or not a practice improvement approach or a waiver from competitive procurement should be requested from OPM.

The decision as to whether to pursue a procurement method other than a competitive procurement is first made at a program level by the DOH Commissioner, aided by the analysis and recommendation of program staff and relevant managerial staff.

In all DOH procurements of health and human services, and its contracting with providers pursuant to POS contracts, DOH is aided by the leadership and staff of the Central Contracting Unit (CCU), an operational team with specialized expertise in, among other things, procurement requirements and processes, POS contracting requirements and processes, and related compliance monitoring, budgeting, and payments. The CCU is presently “housed” within DMHAS. DOH anticipates continuing to work closely with the CCU in connection with the procurements covered in this plan.

Assistance from the CCU may evolve over time, depending on the respective relevant resources of DOH and the CCU, but with respect to procurements is expected to include: maintenance of standard procurement documents and contract forms, obtaining necessary approvals from OPM, posting the procurement documents to the State Contracting Portal and ensuring the posting to the DOH website and other relevant websites, and preparing final contract documentation.

DOH staff members are responsible for the programmatic content of the procurement document, the development of the evaluation tool, coordination of the receipt and responses to questions, and the receipt of proposals or other responses to the procurement document. A DOH staff member will be the official contact for the procurement. DOH staff members meet to evaluate proposals or other responses to the procurement document and ensure that such meetings are conducting in accordance with all applicable procurement standards. Following the conclusion of the evaluation sessions, DOH staff submit the recommendations of the evaluation team to the DOH Commissioner and other relevant managerial staff. All DOH staff and other persons directly involved in the procurement process sign a confidentiality statement and are advised not to discuss the procurement (except as necessary) to preserve the integrity of the process and to avoid the risk of disqualification.

Competitive procurements conducted by DOH will adhere to the procurement standards set forth in the Connecticut General Statutes and established by the Secretary of OPM in “Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts,” as it may be amended or replaced from time to time and re-issued.

DOH’s procurement process under this plan is intended to reflect best practices in the public sector which include:

* Openness: Current providers will be notified in advance when one of their funded services will be re-bid. RFPs will be posted on the DAS and DOH websites and advertised as required.
* Transparency: RFPs will clearly state the criteria by which proposals will be evaluated and, if applicable, the relative weighting of the criteria. Results of the RFP process will be posted on the DAS website.
* Fairness: Providers who directly participate in the development of an RFP for new or existing services will not be allowed to compete for a contract to provide those services. Members of the RFP development and evaluation teams are required to sign a Confidentiality Statement, in which they declare and attest that they have no personal or financial interests in the outcome of the RFP process.
* Competition: All eligible providers will have equal opportunity to compete for DOH contracts. No RFP requirements will specify any features that unnecessarily discriminate, either directly or indirectly, against current or potential providers.
* Standardization: A standardized RFP process will be implemented. Such process currently includes, unless infeasible under the circumstances or otherwise inappropriate, the use of a standardized RFP template, uniform submission requirements, a minimum seven (7) weeks between the release of the RFP and the proposal due date, standardized proposal review and scoring procedures and compliance with OPM RFP guidelines.

V. Procurement Schedule

The DOH procurement plan proposed for FY 2016 through 2018 is set forth on Exhibit I. This schedule has been guided by the following principles:

* Maintenance of continuity of service provision to minimize any disruption in services as programs are competitively procured and new contracts are executed and implemented;
* Promotion of quality, innovation, current best practices, and efficiency in service delivery;
* Use of clearly defined, measurable outcomes and quality/performance measures;
* A prioritization of programs with the greatest impact on the largest number of program beneficiaries and the State as a whole;
* Funding source requirements; and
* Coordination of procurement activities with other State Human Service Agencies.

VI. Practice Improvement Waivers

As set forth on Exhibit 1, DOH anticipates a Practice Improvement Approach with respect to the Transitional Living Program. The Transitional Living Program has been increasingly questioned by the U.S. Department for Housing and Urban Development, which partially funds the current program, advocates, and some existing providers. In at least some circumstances, assistance through alternate programs, such as rapid rehousing, long term emergency shelter, and permanent supportive housing has been shown to be more cost effective and produce better outcomes. DOH expects to examine the Transitional Living Program closely in FY 16 to determine if converting this program, in whole or in part, to a new program or existing programs would better serve the interests of program beneficiaries and the State.

VII. Waivers from Competitive Procurement

DOH is not requesting any waivers from competitive procurement for health and human services at this time.

VIII. Multi-year Contracting

In most cases, DOH will enter into multi-year POS contracts in connection with the procurements covered under this plan. Multi-year contracts are preferable in these circumstances primarily to provide greater continuity, minimize disruption of services, and allow sufficient time for service providers to implement a program and for DOH staff to monitor service providers for compliance and program effectiveness. Multi-year contracts are also preferable to avoid wasteful duplication of procurement efforts by DOH and CCU staff. The number of years included in DOH’s multi-year POS contracts depends on the program and, potentially, within a program on the evaluation of successful bidders during the procurement process. It is not anticipated that any procurement would be for a contract period longer than four years.

IX. Implementation and Oversight

DOH stands ready to implement this plan following approval by OPM. This plan is intended to be effective from FY 2016 through FY 2018 and shall be subject to review and modification as may be necessary from time to time. All significant modifications will be submitted to OPM for approval. RFPs during the time period covered in this plan shall be issued in accordance with the guidelines of this plan. The end date of this procurement plan shall be June 30, 2018.

Exhibit I

A. Procurement Schedule

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| --- | --- |
| **DOH** | PROCUREMENT SCHEDULEFor SFY 2016, 2017, 2018  |
| *(a)Program/Service Name* | *(b)Last RFP(SFY, Qtr)* | *(c)$ Amount(Total)* | *(d)Contracts(Number)* | *(e)Next RFP(SFY, Qtr)* | *(f)RFP Cycle(In Years)* |
| Emergency Shelter Services | SFY15 Q2 | $19,710,834 | 50 | SFY19 ( most contracts are for a 3 year term with a one-year option for the State to renew but some contracts will have an annual term with 3 one-year options for the State to renew, based on performance) | 4 (an earlier RFP may be needed if some contracts are not renewed) |
| Housing Opportunity for Persons with AIDS | SFY15 Q3 | $277,729 | 3 | SFY18 Q2 | 3 |
| Mobility Counseling | SFY15 Q4 | $364,078 | 3 | SFY18 Q2 | 3 |
| AIDS | Unknown | $5,538,819 | 20 | SFY16 Q1 | 3 |
| Rapid Rehousing | SFY12 Q3 | $1,066,610 | 5 | SFY16 Q2 | 3 |
| Eviction Foreclosure Prevention/ Security Deposit Guaranty | SFY13 | $1,864,155 | 5 | SFY16 Q2 | 3 |
| Section8/ Rental Assistance Program | SFY02 Q2 | $352,800,000 | 1 | SFY17 Q1 | 4 |

B. Alternative Practice Improvement Approach Schedule

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| --- | --- |
| **DOH** | Alternative Practice Improvement Approach ScheduleFor SFY 2016, 2017, 2018  |
| *(a)Program/Service Name* | *(b)Last RFP(SFY, Qtr)* | *(c)$ Amount(Total)* | *(d)Contracts(Number)* | *(e)Next RFP(SFY, Qtr)* | *(f)Rationale for Practice Improvement* |
| Transitional Living Program (TLP) | Unknown | $1,825,655 | 22 | N/A | Research has shown that transitional programs are often not the most effective response to homelessness. Permanent supportive housing and rapid rehousing are more cost effective ways for ending homelessness. Over the next 2 years DOH will evaluate all TLP contractors to determine if there is a more effective use of the funding, to convert to supportive or rapid rehousing. |