

Bill No. SB 1476

Barcode 154386

Proposed Committee Substitute by the Committee on Children and Families

1 A bill to be entitled

2 An act relating to the Department of Children

3 and Family Services; providing legislative

4 intent with respect to establishing a structure

5 by which the department shall monitor and

6 manage contracts with external service

7 providers; providing definitions; requiring the

8 department to competitively procure certain

9 commodities and contractual services; requiring

10 the department to allow all public

11 postsecondary institutions to bid on contracts

12 intended for any public postsecondary

13 institution; authorizing the department to

14 competitively procure and contract for systems

15 of treatment or service that involve multiple

16 providers; providing requirements if other

17 governmental entities contribute matching

18 funds; requiring that an entity providing

19 matching funds must comply with certain

20 procurement procedures; authorizing the

21 department to independently procure and

22 contract for treatment services; requiring that

23 the department develop a validated business

24 case before outsourcing any service or

25 function; providing requirements for the

26 business case; requiring that the validated

27 business case be submitted to the Legislature

28 for approval; requiring that a contractual

29 service that has previously been outsourced be

30 subject to the requirements for a validated

31 business case; requiring that a procurement of

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1 contractual services equal to or in excess of
2 the threshold amount for CATEGORY FIVE comply
3 with specified requirements, including a scope
4 of work and performance standards; authorizing
5 the department to adopt incremental penalties
6 by rule; authorizing the department to include
7 cost-neutral, performance-based incentives in a
8 contract; requiring that a contract in excess
9 of \$1 million be negotiated by a contract
10 negotiator who is certified according to
11 standards established by the Department of
12 Management Services; limiting circumstances
13 under which the department may amend a
14 contract; requiring that a proposed contract
15 amendment be submitted to the Executive Office
16 of the Governor for approval; requiring
17 approval of a contract amendment by the
18 Administration Commission under certain
19 circumstances; requiring the department to
20 verify that contractual terms have been
21 satisfied before renewing a contract; requiring
22 certain documentation; requiring the department
23 to develop, in consultation with the Department
24 of Management Services, contract templates and
25 guidelines; requiring that the department
26 establish a contract-management process;
27 specifying the requirements for and components
28 of the contract-management process; providing
29 requirements for resolving performance
30 deficiencies and terminating a contract;
31 requiring a corrective-action plan under

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1 certain circumstances; requiring the department
2 to develop standards of conduct and
3 disciplinary actions; requiring that the
4 department establish contract-monitoring units
5 and a contract-monitoring process; requiring
6 written reports; requiring on-site visits for
7 contracts involving the provision of direct
8 client services; requiring the department to
9 make certain documents available to the
10 Legislature; requiring the department to create
11 an electronic database to store the documents;
12 amending s. 402.73, F.S.; requiring the Agency
13 for Persons with Disabilities to implement
14 systems to ensure quality and fiscal integrity
15 of programs in the developmental services
16 Medicaid waiver system; providing an exemption
17 for health services from competitive bidding
18 requirements; amending s. 409.1671, F.S.;
19 conforming provisions to changes made by the
20 act; requiring that the Office of Program
21 Policy Analysis and Government Accountability
22 conduct two reviews of the contract-management
23 and accountability structures of the department
24 and report to the Legislature and the Auditor
25 General; repealing s. 402.72, F.S., relating to
26 contract-management requirements for the
27 Department of Children and Family Services;
28 providing an effective date.

29
30 Be It Enacted by the Legislature of the State of Florida:
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1 Section 1. Department of Children and Family Services;
2 procurement of contractual services; outsourcing or
3 privatization; contract management.--

4 (1) LEGISLATIVE INTENT.--The Legislature intends that
5 the Department of Children and Family Services obtain services
6 in the manner that is most efficient and cost-effective for
7 the state, that provides the greatest long-term benefits to
8 the clients receiving services, and that minimizes the
9 disruption of client services. In order to meet these
10 legislative goals, the department shall comply with
11 legislative policy guidelines that require compliance with
12 uniform procedures for procuring contractual services,
13 prescribe how the department must outsource its programmatic
14 and administrative services to external service providers
15 rather than having them provided by the department or another
16 state agency, and establish a contract-management and
17 contract-monitoring process.

18 (2) DEFINITIONS.--As used in this section, the term:

19 (a) "Contract manager" means the department employee
20 who is responsible for enforcing the compliance with
21 administrative and programmatic terms and conditions of a
22 contract. The contract manager is the primary point of contact
23 through which all contracting information flows between the
24 department and the contractor. The contract manager is
25 responsible for day-to-day contract oversight, including
26 approval of contract deliverables and invoices. All actions
27 related to the contract shall be initiated by or coordinated
28 with the contract manager. The contract manager maintains the
29 official contract files.

30 (b) "Contract monitor" means the department employee
31 who is responsible for observing, recording, and reporting to

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1 the contract manager and other designated entities the
2 information necessary to assist the contract manager and
3 program management in determining whether the contractor is in
4 compliance with the administrative and programmatic terms and
5 conditions of the contract.

6 (c) "Department" means the Department of Children and
7 Family Services.

8 (d) "Outsourcing" means the process of contracting
9 with an external service provider to provide a service, in
10 whole or in part, while the department retains the
11 responsibility and accountability for the service.

12 (e) "Performance measure" means the quantitative
13 indicators used to assess if the service the external provider
14 is performing is achieving the desired results. Measures of
15 performance include outputs, direct counts of program
16 activities, and outcomes or results of program activities in
17 the lives of the clients served.

18 (f) "Performance standard" means the quantifiable,
19 specified, and desired level to be achieved for a particular
20 performance measure.

21 (g) "Privatize" means any process aimed at
22 transferring the responsibility for a service, in whole or in
23 part, from the department to the private sector such that the
24 private sector is solely and fully responsible for the
25 performance of the specific service.

26 (h) "Service" means all or any portion of a program or
27 program component as defined in section 216.011.

28 (3) PROCUREMENT OF COMMODITIES AND CONTRACTUAL
29 SERVICES.--

30 (a) For the purchase of commodities and contractual
31 services in excess of the threshold amount established in

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1 section 287.017, Florida Statutes, for CATEGORY TWO, the
2 department shall comply with the requirements set forth in
3 section 287.057, Florida Statutes.

4 (b) Notwithstanding section 287.057(5)(f)13., Florida
5 Statutes, whenever the department intends to contract with a
6 public postsecondary institution to provide a service, the
7 department must allow all public postsecondary institutions in
8 this state that are accredited by the Southern Association of
9 Colleges and Schools to bid on the contract. Thereafter,
10 notwithstanding any other provision to the contrary, if a
11 public postsecondary institution intends to subcontract for
12 any service awarded in the contract, the subcontracted service
13 must be procured by competitive procedures.

14 (c) When it is in the best interest of a defined
15 segment of its consumer population, the department may
16 competitively procure and contract for systems of treatment or
17 service that involve multiple providers, rather than procuring
18 and contracting for treatment or services separately from each
19 participating provider. The department must ensure that all
20 providers that participate in the treatment or service system
21 meet all applicable statutory, regulatory, service-quality,
22 and cost-control requirements. If other governmental entities
23 or units of special purpose government contribute matching
24 funds to the support of a given system of treatment or
25 service, the department shall formally request information
26 from those funding entities in the procurement process and may
27 take the information received into account in the selection
28 process. If a local government contributes matching funds to
29 support the system of treatment or contracted service and if
30 the match constitutes at least 25 percent of the value of the
31 contract, the department shall afford the governmental match

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1 contributor an opportunity to name an employee as one of the
2 persons required by section 287.057(17), Florida Statutes, to
3 evaluate or negotiate certain contracts, unless the department
4 sets forth in writing the reason why the inclusion would be
5 contrary to the best interest of the state. Any employee so
6 named by the governmental match contributor shall qualify as
7 one of the persons required by section 287.057(17), Florida
8 Statutes. A governmental entity or unit of special purpose
9 government may not name an employee as one of the persons
10 required by section 287.057(17), Florida Statutes, if it, or
11 any of its political subdivisions, executive agencies, or
12 special districts, intends to compete for the contract to be
13 awarded. The governmental funding entity or contributor of
14 matching funds must comply with all procurement procedures set
15 forth in section 287.057, Florida Statutes, when appropriate
16 and required.

17 (d) The department may procure and contract for or
18 provide assessment and case-management services independently
19 from treatment services.

20 (4) SOURCING STANDARDS AND REQUIREMENTS.--If the
21 department proposes to outsource a service, the department
22 must comply with the requirements of this section prior to the
23 procurement process provided for in section 287.057, Florida
24 Statutes.

25 (a) The department shall develop a business case
26 describing and analyzing the service proposed for outsourcing.
27 A business case is part of the solicitation process and is not
28 a rule subject to challenge pursuant to section 120.54,
29 Florida Statutes. The business case must include, but need not
30 be limited to:

31 1. A detailed description of the services to be

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1 outsourced, a description and analysis of the department's
2 current performance of the service, and a rationale
3 documenting how outsourcing the service would be in the best
4 interest of the state, the department, and its clients.

5 2. A cost-benefit analysis documenting the estimated
6 specific direct and indirect costs, savings, performance
7 improvements, risks, and qualitative and quantitative benefits
8 involved in or resulting from outsourcing the service. The
9 cost-benefit analysis must include a detailed plan and
10 timeline identifying all actions that must be implemented to
11 realize expected benefits. Under section 92.525, Florida
12 Statutes, the Secretary of Children and Family Services shall
13 verify that all costs, savings, and benefits are valid and
14 achievable.

15 3. A description of the specific performance measures
16 and standards that must be achieved through the outsourcing
17 proposal.

18 4. A statement of the potential effect on applicable
19 federal, state, and local revenues and expenditures. The
20 statement must specifically describe the effect on general
21 revenue, trust funds, general revenue service charges, and
22 interest on trust funds, together with the potential direct or
23 indirect effect on federal funding and cost allocations.

24 5. A plan to ensure compliance with public-record
25 laws, which must include components that:

26 a. Provide public access to public records at a cost
27 that does not exceed that provided in chapter 119, Florida
28 Statutes.

29 b. Ensure the confidentiality of records that are
30 exempt from disclosure or confidential under law.

31 c. Meet all legal requirements for record retention.

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1 d. Allow for transfer to the state, at no cost, all
2 public records in possession of the external service provider
3 upon termination of the contract.

4 6. A department transition and implementation plan for
5 addressing changes in the number of agency personnel, affected
6 business processes, and employee-transition issues. Such a
7 plan must also specify the mechanism for continuing the
8 operation of the service if the contractor fails to perform
9 and comply with the performance measures and standards and
10 provisions of the contract. Within this plan, the department
11 shall identify all resources, including full-time equivalent
12 positions, which are subject to outsourcing. All full-time
13 equivalent positions identified in the plan shall be placed in
14 reserve by the Executive Office of the Governor until the end
15 of the second year of the contract. Notwithstanding the
16 provisions of section 216.262, Florida Statutes, the Executive
17 Office of the Governor shall request authority from the
18 Legislative Budget Commission to reestablish full-time
19 positions above the number fixed by the Legislature when a
20 contract is terminated and the outsourced service must be
21 returned to the department.

22 7. A listing of assets proposed for transfer to or use
23 by the external service provider, a description of the
24 proposed requirements for maintenance of those assets by the
25 external service provider or the department in accordance with
26 chapter 273, Florida Statutes, a plan for their disposition
27 upon termination of the contract, and a description of how the
28 planned asset transfer or use by the contractor is in the best
29 interest of the department and the state.

30 (b)1. If the department proposes to outsource the
31 service in the next fiscal year, the department shall submit

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1 the business case with the department's final legislative
2 budget request, in the manner and form prescribed in the
3 legislative budget request instructions under section 216.023,
4 Florida Statutes. Upon approval in the General Appropriations
5 Act, the department may initiate and complete the procurement
6 process under section 287.057, Florida Statutes, and shall
7 have the authority to enter into contracts with the external
8 service provider.

9 2. If a proposed outsourcing initiative would require
10 integration with, or would in any way affect other state
11 information technology systems, the department shall submit
12 the feasibility study documentation required by the
13 legislative budget request instructions under section 216.023,
14 Florida Statutes.

15 (c) If the department proposes to outsource a service
16 during a fiscal year and the outsourcing provision was not
17 included in the approved operating budget of the department,
18 the department must provide to the Governor, the President of
19 the Senate, the Speaker of the House of Representatives, the
20 chairs of the legislative appropriations committees, and the
21 chairs of the relevant substantive committees the business
22 case that complies with the requirements of paragraph (a) at
23 least 45 days before the release of any solicitation
24 documents, as provided for in section 287.057, Florida
25 Statutes. Any budgetary changes that are inconsistent with the
26 department's approved budget may not be made to existing
27 programs unless the changes are recommended to the Legislative
28 Budget Commission by the Governor and the Legislative Budget
29 Commission expressly approves the program changes.

30 (d) The department may not privatize a service without
31 specific authority provided in general law, the General

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1 Appropriations Act, legislation implementing the General
2 Appropriations Act, or a special appropriations act.

3 (5) CONTRACTING AND PERFORMANCE MEASURES.--In addition
4 to the requirements of section 287.058, Florida Statutes,
5 every procurement of contractual services by the department
6 which meets or is in excess of the threshold amount provided
7 in section 287.017, Florida Statutes, for CATEGORY FIVE, must
8 comply with the requirements of this subsection.

9 (a) The department shall execute a contract containing
10 all provisions and conditions, which must include, but need
11 not be limited to:

12 1. A detailed scope of work that clearly specifies
13 each service and deliverable to be provided, including a
14 description of each deliverable or activity that is
15 quantifiable, measurable, and verifiable the department and
16 the contractor.

17 2. Associated costs and savings, specific payment
18 terms and payment schedules, including incentive and penalty
19 provisions, criteria governing payment, and a clear and
20 specific schedule to complete all required activities needed
21 to transfer the service from the state to the contractor.

22 3. Clear and specific identification of all required
23 performance measures and standards, which must, at a minimum,
24 include:

25 a. Acceptance criteria for each deliverable and
26 service to be provided to the department under the terms of
27 the contract which document, to the greatest extent possible,
28 the required performance level. Acceptance criteria must be
29 detailed, clear, and unambiguous and shall be used to measure
30 deliverables and services to be provided under the contract.

31 b. A method for monitoring and reporting progress in

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1 achieving specified performance standards and levels.
2 c. The sanctions or penalties that shall be assessed
3 for contract or state nonperformance. The department may
4 adopt, by rule, provisions for including in its contracts
5 incremental penalties to be imposed by its contract managers
6 on a contractor due to the contractor's failure to comply with
7 a requirement for corrective action. Any financial penalty
8 that is imposed upon a contractor may not be paid from funds
9 being used to provide services to clients, and the contractor
10 may not reduce the amount of services being delivered to
11 clients as a method for offsetting the effect of the penalty.
12 If a financial penalty is imposed upon a contractor that is a
13 corporation, the department shall notify, at a minimum, the
14 board of directors of the corporation. The department may
15 notify any additional parties that the department believes may
16 be helpful in obtaining the corrective action that is being
17 sought. In addition, the rules adopted by the department must
18 include provisions that permit the department to deduct the
19 financial penalties from funds that would otherwise be due to
20 the contractor, not to exceed 10 percent of the amount that
21 otherwise would be due to the contractor for the period of
22 noncompliance. If the department imposes a financial penalty,
23 it shall advise the contractor in writing of the cause for the
24 penalty. A failure to include such deductions in a request for
25 payment constitutes grounds for the department to reject that
26 request for payment. The remedies identified in this paragraph
27 do not limit or restrict the department's application of any
28 other remedy available to it in the contract or under law. The
29 remedies described in this paragraph may be cumulative and may
30 be assessed upon each separate failure to comply with
31 instructions from the department to complete corrective

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1 action.

2 4. A requirement that the contractor maintain adequate
3 accounting records that comply with all applicable federal and
4 state laws and generally accepted accounting principles.

5 5. A requirement authorizing the department and state
6 to have access to and conduct audits of all records related to
7 the contract and outsourced services.

8 6. A requirement that ownership of any intellectual
9 property developed in the course of, or as a result of, work
10 or services performed under the contract shall transfer to the
11 state if the contractor ceases to provide the outsourced
12 service.

13 7. A requirement describing the timing and substance
14 of all plans and status or progress reports that are to be
15 provided. All plans and status or progress reports must comply
16 with any relevant state and federal standards for planning,
17 implementation, operations, and oversight.

18 8. A requirement that the contractor shall comply with
19 public-record laws. The contractor shall:

20 a. Keep and maintain the public records that
21 ordinarily and necessarily would be required by the department
22 to perform the service.

23 b. Provide public access to such public records on the
24 same terms and conditions that the department would and at a
25 cost that does not exceed that provided in chapter 119.

26 c. Ensure the confidentiality of records that are
27 exempt from disclosure or confidential under law.

28 d. Meet all legal and auditing requirements for record
29 retention, and transfer to the state, at no cost to the state,
30 all public records in possession of the contractor upon
31 termination of the contract. All records stored electronically

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1 must be provided to the state in the format compatible with
2 state information technology systems.

3 9. A requirement that any state funds provided for the
4 purchase of or improvements to real property are contingent
5 upon the contractor granting to the state a security interest
6 in the property which is at least equal to the amount of the
7 state funds provided for at least 5 years following the date
8 of purchase or the completion of the improvements or as
9 further required by law. The contract must include a provision
10 that, as a condition of receipt of state funding for this
11 purpose, the contractor agrees that, if it disposes of the
12 property before the department's interest is vacated, the
13 contractor must refund the proportionate share of the state's
14 initial investment, as adjusted by depreciation.

15 10. A provision that the contractor annually submit
16 and verify, under section 92.525, Florida Statutes, all
17 required financial statements.

18 11. A provision that the contractor will be held
19 responsible and accountable for all work covered under the
20 contract including any work performed by subcontractors. The
21 contract must state that the department may monitor the
22 performance of any subcontractor.

23 (b) A contract may include cost-neutral,
24 performance-based incentives that may vary according to the
25 extent a contractor achieves or surpasses the performance
26 standards set forth in the contract. The incentives may be
27 weighted proportionally to reflect the extent to which the
28 contractor has demonstrated that it has consistently met or
29 exceeded the contractual requirements and the performance
30 standards.

31 (c) The department shall review the time period for

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1 which it executes contracts and, to the greatest extent
2 practicable, shall execute multiyear contracts to make the
3 most efficient use of the resources devoted to contract
4 processing and execution.

5 (d) When the annualized value of a contract is in
6 excess of \$1 million, at least one of the persons conducting
7 negotiations must be certified as a contract negotiator based
8 upon standards established by the Department of Management
9 Services.

10 (e) The department may not amend a contract without
11 first submitting the proposed contract amendment to the
12 Executive Office of the Governor for approval if the effect of
13 the amendment would be to increase:

- 14 1. The value of the contract by \$250,000; or
- 15 2. The term of the contract by 1 year or more.

16
17 When the department proposes any contract amendment that meets
18 the criteria described in this paragraph, it shall submit the
19 proposed contract amendment to the Executive Office of the
20 Governor for approval and shall immediately notify the chairs
21 of the legislative appropriations committees. The Executive
22 Office of the Governor may not approve the proposed contract
23 amendment until 14 days following receipt of the notification
24 to the legislative appropriations chairs. If either chair of
25 the legislative appropriations committees objects in writing
26 to a proposed contract amendment within 14 days following
27 notification and specifies the reasons for the objection, the
28 Executive Office of the Governor shall disapprove the proposed
29 contract amendment or shall submit the proposed contract
30 amendment to the Administration Commission. The proposed
31 contract amendment may be approved by the Administration

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1 Commission by a two-thirds vote of the members present with
2 the Governor voting in the affirmative. In the absence of
3 approval by the commission, the proposed contract amendment
4 shall be automatically disapproved. Otherwise, upon approval
5 by the Governor or Administration Commission, the department
6 may execute the contract amendment.

7 (e) An amendment that is issued under legislative
8 direction, including funding adjustments annually provided for
9 in the General Appropriations Act or the federal
10 appropriations acts, need not be submitted for approval in
11 accordance with paragraph (d).

12 (f) In addition to the requirements of section
13 287.057(14), Florida Statutes, the department shall verify
14 that all specific direct and indirect costs, savings,
15 performance measures and standards, and qualitative and
16 quantitative benefits identified in the original contract have
17 been satisfied by a contractor or the department before the
18 contract is renewed. The documentation must include an
19 explanation of any differences between the required
20 performance as identified in the contract and the actual
21 performance of the contractor. The documentation must be
22 included in the official contract file.

23 (g) The department shall, in consultation with the
24 Department of Management Services, develop contract templates
25 and guidelines that define the mandatory contract provisions
26 and other requirements identified in this subsection and that
27 must be used for all contractual service contracts meeting the
28 requirements of this subsection. All contract templates and
29 guidelines shall be developed by September 30, 2005.

30 (6) CONTRACT-MANAGEMENT REQUIREMENTS AND
31 PROCESS.--Notwithstanding section 287.057(15), Florida

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1 Statutes, the department is responsible for establishing a
2 contract-management process that requires a member of the
3 department's Senior Management Service to assign in writing
4 the responsibility of a contract to a contract manager. The
5 department shall maintain a set of procedures describing its
6 contract-management process which must minimally include the
7 following requirements:

8 (a) The contract manager shall maintain the official
9 contract file throughout the duration of the contract and for
10 a period not less than 6 years after the termination of the
11 contract.

12 (b) The contract manager shall review all invoices for
13 compliance with the criteria and payment schedule provided for
14 in the contract and shall approve payment of all invoices
15 before their transmission to the Department of Financial
16 Services for payment. Only the contract manager shall approve
17 the invoices for a specific contract, unless the contract
18 manager is temporarily unavailable to review an invoice. The
19 contract file must contain an explanation for any periods of
20 temporary unavailability of the assigned contract manager. For
21 any individual invoice in excess of \$500,000, a member of the
22 Selected Exempt Service or Senior Management Service shall
23 also sign payment approval of the invoice. For any individual
24 invoice in excess of \$1 million, a member of the Senior
25 Management Service shall also sign payment approval of the
26 invoice.

27 (c) The contract manager shall maintain a schedule of
28 payments and total amounts disbursed and shall periodically
29 reconcile the records with the state's official accounting
30 records.

31 (d) For contracts involving the provision of direct

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1 client services, the contract manager shall periodically visit
2 the physical location where the services are delivered and
3 speak directly to clients receiving the services and the staff
4 responsible for delivering the services.

5 (e) For contracts for which the contractor is a
6 corporation, the contract manager shall attend at least one
7 board meeting semiannually, if held and if within 100 miles of
8 the contract manager's official headquarters.

9 (f) The contract manager shall meet at least once a
10 month directly with the contractor's representative and
11 maintain records of such meetings.

12 (g) The contract manager shall periodically document
13 any differences between the required performance measures and
14 the actual performance measures. If a contractor fails to meet
15 and comply with the performance measures established in the
16 contract, the department may allow a reasonable period for the
17 contractor to correct performance deficiencies. If performance
18 deficiencies are not resolved to the satisfaction of the
19 department within the prescribed time, and if no extenuating
20 circumstances can be documented by the contractor to the
21 department's satisfaction, the department must terminate the
22 contract. The department may not enter into a new contract
23 with that same contractor for the services for which the
24 contract was previously terminated for a period of at least 24
25 months after the date of termination. The contract manager
26 shall obtain and enforce corrective-action plans, if
27 appropriate, and maintain records regarding the completion or
28 failure to complete corrective-action items.

29 (h) The contract manager shall document any contract
30 modifications, which shall include recording any contract
31 amendments as provided for in this section.

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1 (i) The contract manager shall be properly trained
2 before being assigned responsibility for any contract.

3
4 The department shall develop standards of conduct and a range
5 of disciplinary actions for its employees which are
6 specifically related to carrying out contract-management
7 responsibilities.

8 (7) CONTRACT-MONITORING REQUIREMENTS AND PROCESS.--The
9 department shall establish contract-monitoring units staffed
10 by full-time career service employees who report to a member
11 of the Select Exempt Service or Senior Management Service and
12 who have been properly trained to perform contract monitoring.

13 A member of the Senior Management Service shall assign in
14 writing a specific contract to a contract-monitoring unit,
15 with at least one member of the contract-monitoring unit
16 possessing specific knowledge and experience in the contract's
17 program area. The department shall establish a
18 contract-monitoring process that must include, but need not be
19 limited to, the following requirements:

20 (a) Performing a risk assessment at the start of each
21 fiscal year and preparing an annual contract-monitoring
22 schedule that includes consideration for the level of risk
23 assigned. The department may monitor any contract at any time
24 regardless of whether such monitoring was originally included
25 in the annual contract-monitoring schedule.

26 (b) Preparing a contract-monitoring plan, including
27 sampling procedures, before performing on-site monitoring at
28 external locations of a service provider. The plan must
29 include a description of the programmatic, fiscal, and
30 administrative components that will be monitored on-site. If
31 appropriate, clinical and therapeutic components may be

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1 included.

2 (c) Conducting analyses of the performance and
3 compliance of an external service provider by means of desk
4 reviews if the external service provider will not be monitored
5 on-site during a fiscal year.

6 (d) Unless the department sets forth in writing the
7 need for an extension, providing a written report presenting
8 the results of the monitoring within 30 days after the
9 completion of the on-site monitoring or desk review. Report
10 extensions may not exceed 30 days after the original
11 completion date. The department shall develop and use a
12 standard contract-monitoring report format and shall provide
13 access to the reports by means of a website that is available
14 to the Legislature.

15 (e) For contracts involving the provision of direct
16 client services, requiring the contract monitor to visit the
17 physical location where the services are being delivered and
18 to speak directly to the clients receiving the services and
19 with the staff responsible for delivering the services.

20 (f) Developing and maintaining a set of procedures
21 describing the contract-monitoring process.

22
23 The department shall develop standards of conduct and a range
24 of disciplinary actions for its employees which are
25 specifically related to carrying out contract-monitoring
26 responsibilities.

27 (8) REPORTS TO THE LEGISLATURE.--Beginning October 1,
28 2005, the department shall make available to the Legislature
29 electronically all documents associated with the procurement
30 and contracting functions of the department. The documents in
31 the database must include, but are not limited to, all:

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- 1 (a) Business cases;
- 2 (b) Procurement documents;
- 3 (c) Contracts and any related files, attachments, or
- 4 amendments;
- 5 (d) Contract monitoring reports;
- 6 (e) Corrective action plans and reports of corrective
- 7 actions taken when contractor performance deficiencies are
- 8 identified; and
- 9 (f) Status reports on all outsourcing initiatives
- 10 describing the progress by the department towards achieving
- 11 the business objectives, costs, savings, and quantifiable
- 12 benefits identified in the business case.

13 Section 2. Section 402.73, Florida Statutes, is
 14 amended to read:

15 402.73 Contracting and performance standards.--

16 ~~(1) The Department of Children and Family Services~~
 17 ~~shall establish performance standards for all contracted~~
 18 ~~client services. Notwithstanding s. 287.057(5)(f), the~~
 19 ~~department must competitively procure any contract for client~~
 20 ~~services when any of the following occurs:~~

21 ~~(a) The provider fails to meet appropriate performance~~
 22 ~~standards established by the department after the provider has~~
 23 ~~been given a reasonable opportunity to achieve the established~~
 24 ~~standards.~~

25 ~~(b) A new program or service has been authorized and~~
 26 ~~funded by the Legislature and the annual value of the contract~~
 27 ~~for such program or service is \$300,000 or more.~~

28 ~~(c) The department has concluded, after reviewing~~
 29 ~~market prices and available treatment options, that there is~~
 30 ~~evidence that the department can improve the performance~~
 31 ~~outcomes produced by its contract resources. At a minimum, the~~

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1 ~~department shall review market prices and available treatment~~
2 ~~options biennially. The department shall compile the results~~
3 ~~of the biennial review and include the results in its annual~~
4 ~~performance report to the Legislature pursuant to chapter~~
5 ~~94-249, Laws of Florida. The department shall provide notice~~
6 ~~and an opportunity for public comment on its review of market~~
7 ~~prices and available treatment options.~~

8 ~~(2) The competitive requirements of subsection (1)~~
9 ~~must be initiated for each contract that meets the criteria of~~
10 ~~this subsection, unless the secretary makes a written~~
11 ~~determination that particular facts and circumstances require~~
12 ~~deferral of the competitive process. Facts and circumstances~~
13 ~~must be specifically described for each individual contract~~
14 ~~proposed for deferral and must include one or more of the~~
15 ~~following:~~

16 ~~(a) An immediate threat to the health, safety, or~~
17 ~~welfare of the department's clients.~~

18 ~~(b) A threat to appropriate use or disposition of~~
19 ~~facilities that have been financed in whole, or in substantial~~
20 ~~part, through contracts or agreements with a state agency.~~

21 ~~(c) A threat to the service infrastructure of a~~
22 ~~community which could endanger the well-being of the~~
23 ~~department's clients.~~

24
25 ~~Competitive procurement of client services contracts that meet~~
26 ~~the criteria in subsection (1) may not be deferred for longer~~
27 ~~than 1 year.~~

28 ~~(3) The Legislature intends that the department obtain~~
29 ~~services in the manner that is most cost-effective for the~~
30 ~~state, that provides the greatest long-term benefits to the~~
31 ~~clients receiving services, and that minimizes the disruption~~

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1 ~~of client services. In order to meet these legislative goals,~~
2 ~~the department may adopt rules providing procedures for the~~
3 ~~competitive procurement of contracted client services which~~
4 ~~represent an alternative to the request-for-proposal or~~
5 ~~invitation-to-bid process. The alternative competitive~~
6 ~~procedures shall permit the department to solicit professional~~
7 ~~qualifications from prospective providers and to evaluate such~~
8 ~~statements of qualification before requesting service~~
9 ~~proposals. The department may limit the firms invited to~~
10 ~~submit service proposals to only those firms that have~~
11 ~~demonstrated the highest level of professional capability to~~
12 ~~provide the services under consideration, but may not invite~~
13 ~~fewer than three firms to submit service proposals, unless~~
14 ~~fewer than three firms submitted satisfactory statements of~~
15 ~~qualification. The alternative procedures must, at a minimum,~~
16 ~~allow the department to evaluate competing proposals and~~
17 ~~select the proposal that provides the greatest benefit to the~~
18 ~~state while considering the quality of the services,~~
19 ~~dependability, and integrity of the provider, the~~
20 ~~dependability of the provider's services, the experience of~~
21 ~~the provider in serving target populations or client groups~~
22 ~~substantially identical to members of the target population~~
23 ~~for the contract in question, and the ability of the provider~~
24 ~~to secure local funds to support the delivery of services,~~
25 ~~including, but not limited to, funds derived from local~~
26 ~~governments. These alternative procedures need not conform to~~
27 ~~the requirements of s. 287.042 or s. 287.057(1) or (2).~~

28 ~~(4) The department shall review the period for which~~
29 ~~it executes contracts and, to the greatest extent practicable,~~
30 ~~shall execute multiyear contracts to make the most efficient~~
31 ~~use of the resources devoted to contract processing and~~

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1 ~~execution.~~

2 ~~(5) When it is in the best interest of a defined~~
3 ~~segment of its consumer population, the department may~~
4 ~~competitively procure and contract for systems of treatment or~~
5 ~~service that involve multiple providers, rather than procuring~~
6 ~~and contracting for treatment or services separately from each~~
7 ~~participating provider. The department must ensure that all~~
8 ~~providers that participate in the treatment or service system~~
9 ~~meet all applicable statutory, regulatory, service quality,~~
10 ~~and cost-control requirements. If other governmental entities~~
11 ~~or units of special purpose government contribute matching~~
12 ~~funds to the support of a given system of treatment or~~
13 ~~service, the department shall formally request information~~
14 ~~from those funding entities in the procurement process and may~~
15 ~~take the information received into account in the selection~~
16 ~~process. If a local government contributes match to support~~
17 ~~the system of treatment or contracted service and if the match~~
18 ~~constitutes at least 25 percent of the value of the contract,~~
19 ~~the department shall afford the governmental match contributor~~
20 ~~an opportunity to name an employee as one of the persons~~
21 ~~required by s. 287.057(17) to evaluate or negotiate certain~~
22 ~~contracts, unless the department sets forth in writing the~~
23 ~~reason why such inclusion would be contrary to the best~~
24 ~~interest of the state. Any employee so named by the~~
25 ~~governmental match contributor shall qualify as one of the~~
26 ~~persons required by s. 287.057(17). No governmental entity or~~
27 ~~unit of special purpose government may name an employee as one~~
28 ~~of the persons required by s. 287.057(17) if it, or any of its~~
29 ~~political subdivisions, executive agencies, or special~~
30 ~~districts, intends to compete for the contract to be awarded.~~
31 ~~The governmental funding entity or match contributor shall~~

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1 ~~comply with any deadlines and procurement procedures~~
2 ~~established by the department. The department may also involve~~
3 ~~nongovernmental funding entities in the procurement process~~
4 ~~when appropriate.~~

5 ~~(6) The department may contract for or provide~~
6 ~~assessment and case management services independently from~~
7 ~~treatment services.~~

8 ~~(7) The department shall adopt, by rule, provisions~~
9 ~~for including in its contracts incremental penalties to be~~
10 ~~imposed by its contract managers on a service provider due to~~
11 ~~the provider's failure to comply with a requirement for~~
12 ~~corrective action. Any financial penalty that is imposed upon~~
13 ~~a provider may not be paid from funds being used to provide~~
14 ~~services to clients, and the provider may not reduce the~~
15 ~~amount of services being delivered to clients as a method for~~
16 ~~offsetting the impact of the penalty. If a financial penalty~~
17 ~~is imposed upon a provider that is a corporation, the~~
18 ~~department shall notify, at a minimum, the board of directors~~
19 ~~of the corporation. The department may notify, at its~~
20 ~~discretion, any additional parties that the department~~
21 ~~believes may be helpful in obtaining the corrective action~~
22 ~~that is being sought. Further, the rules adopted by the~~
23 ~~department must include provisions that permit the department~~
24 ~~to deduct the financial penalties from funds that would~~
25 ~~otherwise be due to the provider, not to exceed 10 percent of~~
26 ~~the amount that otherwise would be due to the provider for the~~
27 ~~period of noncompliance. If the department imposes a financial~~
28 ~~penalty, it shall advise the provider in writing of the cause~~
29 ~~for the penalty. A failure to include such deductions in a~~
30 ~~request for payment constitutes a ground for the department to~~
31 ~~reject that request for payment. The remedies identified in~~

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1 ~~this subsection do not limit or restrict the department's~~
2 ~~application of any other remedy available to it in the~~
3 ~~contract or under law. The remedies described in this~~
4 ~~subsection may be cumulative and may be assessed upon each~~
5 ~~separate failure to comply with instructions from the~~
6 ~~department to complete corrective action.~~

7 ~~(8) The department shall develop standards of conduct~~
8 ~~and a range of disciplinary actions for its employees which~~
9 ~~are specifically related to carrying out contracting~~
10 ~~responsibilities.~~

11 ~~(1)(9) The Agency for Persons with Disabilities~~
12 ~~department~~ must implement systems and controls to ensure
13 financial integrity and service provision quality in the
14 developmental services Medicaid waiver service system.

15 ~~(10) If a provider fails to meet the performance~~
16 ~~standards established in the contract, the department may~~
17 ~~allow a reasonable period for the provider to correct~~
18 ~~performance deficiencies. If performance deficiencies are not~~
19 ~~resolved to the satisfaction of the department within the~~
20 ~~prescribed time, and if no extenuating circumstances can be~~
21 ~~documented by the provider to the department's satisfaction,~~
22 ~~the department must cancel the contract with the provider. The~~
23 ~~department may not enter into a new contract with that same~~
24 ~~provider for the services for which the contract was~~
25 ~~previously canceled for a period of at least 24 months after~~
26 ~~the date of cancellation. If an adult substance abuse services~~
27 ~~provider fails to meet the performance standards established~~
28 ~~in the contract, the department may allow a reasonable period,~~
29 ~~not to exceed 6 months, for the provider to correct~~
30 ~~performance deficiencies. If the performance deficiencies are~~
31 ~~not resolved to the satisfaction of the department within 6~~

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1 ~~months, the department must cancel the contract with the adult~~
2 ~~substance abuse provider, unless there is no other qualified~~
3 ~~provider in the service district.~~

4 ~~(11) The department shall include in its standard~~
5 ~~contract document a requirement that any state funds provided~~
6 ~~for the purchase of or improvements to real property are~~
7 ~~contingent upon the contractor or political subdivision~~
8 ~~granting to the state a security interest in the property at~~
9 ~~least to the amount of the state funds provided for at least 5~~
10 ~~years from the date of purchase or the completion of the~~
11 ~~improvements or as further required by law. The contract must~~
12 ~~include a provision that, as a condition of receipt of state~~
13 ~~funding for this purpose, the provider agrees that, if it~~
14 ~~disposes of the property before the department's interest is~~
15 ~~vacated, the provider will refund the proportionate share of~~
16 ~~the state's initial investment, as adjusted by depreciation.~~

17 ~~(12) The department shall develop and refine~~
18 ~~contracting and accountability methods that are~~
19 ~~administratively efficient and that provide for optimal~~
20 ~~provider performance.~~

21 ~~(13) The department may competitively procure any~~
22 ~~contract when it deems it is in the best interest of the state~~
23 ~~to do so. The requirements described in subsection (1) do not,~~
24 ~~and may not be construed to, limit in any way the department's~~
25 ~~ability to competitively procure any contract it executes, and~~
26 ~~the absence of any or all of the criteria described in~~
27 ~~subsection (1) may not be used as the basis for an~~
28 ~~administrative or judicial protest of the department's~~
29 ~~determination to conduct competition, make an award, or~~
30 ~~execute any contract.~~

31 ~~(14) A contract may include cost-neutral,~~

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1 ~~performance-based incentives that may vary according to the~~
2 ~~extent a provider achieves or surpasses the performance~~
3 ~~standards set forth in the contract. Such incentives may be~~
4 ~~weighted proportionally to reflect the extent to which the~~
5 ~~provider has demonstrated that it has consistently met or~~
6 ~~exceeded the contractual requirements and the department's~~
7 ~~performance standards.~~

8 (2) ~~(15)~~ Nothing contained in chapter 287 shall require
9 competitive bids for health services involving examination,
10 diagnosis, or treatment.

11 Section 3. Paragraphs (a), (b), (e), (f), and (g) of
12 subsection (1), paragraph (b) of subsection (2), paragraph (a)
13 of subsection (4), and subsections (6) and (9) of section
14 409.1671, Florida Statutes, are amended to read:

15 409.1671 Foster care and related services;
16 privatization.--

17 (1)(a) It is the intent of the Legislature that the
18 Department of Children and Family Services shall outsource
19 ~~privatize~~ the provision of foster care and related services
20 statewide. It is further the Legislature's intent to encourage
21 communities and other stakeholders in the well-being of
22 children to participate in assuring that children are safe and
23 well-nurtured. However, while recognizing that some local
24 governments are presently funding portions of certain foster
25 care and related services programs and may choose to expand
26 such funding in the future, the Legislature does not intend by
27 its outsourcing ~~privatization~~ of foster care and related
28 services that any county, municipality, or special district be
29 required to assist in funding programs that previously have
30 been funded by the state. Counties that provide children and
31 family services with at least 40 licensed residential group

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1 care beds by July 1, 2003, and provide at least \$2 million
2 annually in county general revenue funds to supplement foster
3 and family care services shall continue to contract directly
4 with the state and shall be exempt from the provisions of this
5 section. Nothing in this paragraph prohibits any county,
6 municipality, or special district from future voluntary
7 funding participation in foster care and related services. As
8 used in this section, the term "outsource" ~~"privatize"~~ means
9 to contract with competent, community-based agencies. The
10 department shall submit a plan to accomplish outsourcing
11 ~~privatization~~ statewide, through a competitive process, phased
12 in over a 3-year period beginning January 1, 2000. This plan
13 must be developed with local community participation,
14 including, but not limited to, input from community-based
15 providers that are currently under contract with the
16 department to furnish community-based foster care and related
17 services, and must include a methodology for determining and
18 transferring all available funds, including federal funds that
19 the provider is eligible for and agrees to earn and that
20 portion of general revenue funds which is currently associated
21 with the services that are being furnished under contract. The
22 methodology must provide for the transfer of funds
23 appropriated and budgeted for all services and programs that
24 have been incorporated into the project, including all
25 management, capital (including current furniture and
26 equipment), and administrative funds to accomplish the
27 transfer of these programs. This methodology must address
28 expected workload and at least the 3 previous years'
29 experience in expenses and workload. With respect to any
30 district or portion of a district in which outsourcing
31 ~~privatization~~ cannot be accomplished within the 3-year

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1 | timeframe, the department must clearly state in its plan the
2 | reasons the timeframe cannot be met and the efforts that
3 | should be made to remediate the obstacles, which may include
4 | alternatives to total outsourcing ~~privatization~~, such as
5 | public-private partnerships. As used in this section, the term
6 | "related services" includes, but is not limited to, family
7 | preservation, independent living, emergency shelter,
8 | residential group care, foster care, therapeutic foster care,
9 | intensive residential treatment, foster care supervision, case
10 | management, postplacement supervision, permanent foster care,
11 | and family reunification. Unless otherwise provided for, the
12 | state attorney shall provide child welfare legal services,
13 | pursuant to chapter 39 and other relevant provisions, in
14 | Pinellas and Pasco Counties. When a private nonprofit agency
15 | has received case management responsibilities, transferred
16 | from the state under this section, for a child who is
17 | sheltered or found to be dependent and who is assigned to the
18 | care of the outsourcing ~~privatization~~ project, the agency may
19 | act as the child's guardian for the purpose of registering the
20 | child in school if a parent or guardian of the child is
21 | unavailable and his or her whereabouts cannot reasonably be
22 | ascertained. The private nonprofit agency may also seek
23 | emergency medical attention for such a child, but only if a
24 | parent or guardian of the child is unavailable, his or her
25 | whereabouts cannot reasonably be ascertained, and a court
26 | order for such emergency medical services cannot be obtained
27 | because of the severity of the emergency or because it is
28 | after normal working hours. However, the provider may not
29 | consent to sterilization, abortion, or termination of life
30 | support. If a child's parents' rights have been terminated,
31 | the nonprofit agency shall act as guardian of the child in all

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1 | circumstances.

2 | (b) It is the intent of the Legislature that the
3 | department will continue to work towards full outsourcing
4 | ~~privatization~~ in a manner that assures the viability of the
5 | community-based system of care and best provides for the
6 | safety of children in the child protection system. To this
7 | end, the department is directed to continue the process of
8 | outsourcing ~~privatizing~~ services in those counties in which
9 | signed startup contracts have been executed. The department
10 | may also continue to enter into startup contracts with
11 | additional counties. However, no services shall be transferred
12 | to a community-based care lead agency until the department, in
13 | consultation with the local community alliance, has determined
14 | and certified in writing to the Governor and the Legislature
15 | that the district is prepared to transition the provision of
16 | services to the lead agency and that the lead agency is ready
17 | to deliver and be accountable for such service provision. In
18 | making this determination, the department shall conduct a
19 | readiness assessment of the district and the lead agency.

20 | 1. The assessment shall evaluate the operational
21 | readiness of the district and the lead agency based on:

22 | a. A set of uniform criteria, developed in
23 | consultation with currently operating community-based care
24 | lead agencies and reflecting national accreditation standards,
25 | that evaluate programmatic, financial, technical assistance,
26 | training and organizational competencies; and

27 | b. Local criteria reflective of the local
28 | community-based care design and the community alliance
29 | priorities.

30 | 2. The readiness assessment shall be conducted by a
31 | joint team of district and lead agency staff with direct

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1 | experience with the start up and operation of a
2 | community-based care service program and representatives from
3 | the appropriate community alliance. Within resources available
4 | for this purpose, the department may secure outside audit
5 | expertise when necessary to assist a readiness assessment
6 | team.

7 | 3. Upon completion of a readiness assessment, the
8 | assessment team shall conduct an exit conference with the
9 | district and lead agency staff responsible for the transition.

10 | 4. Within 30 days following the exit conference with
11 | staff of each district and lead agency, the secretary shall
12 | certify in writing to the Governor and the Legislature that
13 | both the district and the lead agency are prepared to begin
14 | the transition of service provision based on the results of
15 | the readiness assessment and the exit conference. The document
16 | of certification must include specific evidence of readiness
17 | on each element of the readiness instrument utilized by the
18 | assessment team as well as a description of each element of
19 | readiness needing improvement and strategies being implemented
20 | to address each one.

21 | (e) As used in this section, the term "eligible lead
22 | community-based provider" means a single agency with which the
23 | department shall contract for the provision of child
24 | protective services in a community that is no smaller than a
25 | county. The secretary of the department may authorize more
26 | than one eligible lead community-based provider within a
27 | single county when to do so will result in more effective
28 | delivery of foster care and related services. To compete for
29 | an outsourcing ~~a privatization~~ project, such agency must have:

30 | 1. The ability to coordinate, integrate, and manage
31 | all child protective services in the designated community in

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1 cooperation with child protective investigations.

2 2. The ability to ensure continuity of care from entry
3 to exit for all children referred from the protective
4 investigation and court systems.

5 3. The ability to provide directly, or contract for
6 through a local network of providers, all necessary child
7 protective services. Such agencies should directly provide no
8 more than 35 percent of all child protective services
9 provided.

10 4. The willingness to accept accountability for
11 meeting the outcomes and performance standards related to
12 child protective services established by the Legislature and
13 the Federal Government.

14 5. The capability and the willingness to serve all
15 children referred to it from the protective investigation and
16 court systems, regardless of the level of funding allocated to
17 the community by the state, provided all related funding is
18 transferred.

19 6. The willingness to ensure that each individual who
20 provides child protective services completes the training
21 required of child protective service workers by the Department
22 of Children and Family Services.

23 7. The ability to maintain eligibility to receive all
24 federal child welfare funds, including Title IV-E and IV-A
25 funds, currently being used by the Department of Children and
26 Family Services.

27 8. Written agreements with Healthy Families Florida
28 lead entities in their community, pursuant to s. 409.153, to
29 promote cooperative planning for the provision of prevention
30 and intervention services.

31 9. A board of directors, of which at least 51 percent

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1 of the membership is comprised of persons residing in this
2 state. Of the state residents, at least 51 percent must also
3 reside within the service area of the lead community-based
4 provider.

5 (f)1. The Legislature finds that the state has
6 traditionally provided foster care services to children who
7 have been the responsibility of the state. As such, foster
8 children have not had the right to recover for injuries beyond
9 the limitations specified in s. 768.28. The Legislature has
10 determined that foster care and related services need to be
11 outsourced ~~privatized~~ pursuant to this section and that the
12 provision of such services is of paramount importance to the
13 state. The purpose for such outsourcing ~~privatization~~ is to
14 increase the level of safety, security, and stability of
15 children who are or become the responsibility of the state.
16 One of the components necessary to secure a safe and stable
17 environment for such children is that private providers
18 maintain liability insurance. As such, insurance needs to be
19 available and remain available to nongovernmental foster care
20 and related services providers without the resources of such
21 providers being significantly reduced by the cost of
22 maintaining such insurance.

23 2. The Legislature further finds that, by requiring
24 the following minimum levels of insurance, children in
25 outsourced ~~privatized~~ foster care and related services will
26 gain increased protection and rights of recovery in the event
27 of injury than provided for in s. 768.28.

28 (g) In any county in which a service contract has not
29 been executed by December 31, 2004, the department shall
30 ensure access to a model comprehensive residential services
31 program as described in s. 409.1677 which, without imposing

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1 undue financial, geographic, or other barriers, ensures
2 reasonable and appropriate participation by the family in the
3 child's program.

4 1. In order to ensure that the program is operational
5 by December 31, 2004, the department must, by December 31,
6 2003, begin the process of establishing access to a program in
7 any county in which the department has not either entered into
8 a transition contract or approved a community plan, as
9 described in paragraph (d), which ensures full outsourcing
10 ~~privatization~~ by the statutory deadline.

11 2. The program must be procured through a competitive
12 process.

13 3. The Legislature does not intend for the provisions
14 of this paragraph to substitute for the requirement that full
15 conversion to community-based care be accomplished.

16 (2)

17 (b) Persons employed by the department in the
18 provision of foster care and related services whose positions
19 are being outsourced under ~~privatized pursuant to~~ this statute
20 shall be given hiring preference by the provider, if provider
21 qualifications are met.

22 (4)(a) The department, in consultation with the
23 community-based agencies that are undertaking the outsourced
24 ~~privatized~~ projects, shall establish a quality assurance
25 program for privatized services. The quality assurance program
26 shall be based on standards established by the Adoption and
27 Safe Families Act as well as by a national accrediting
28 organization such as the Council on Accreditation of Services
29 for Families and Children, Inc. (COA) or CARF--the
30 Rehabilitation Accreditation Commission. Each program operated
31 under contract with a community-based agency must be evaluated

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1 annually by the department. The department shall, to the
2 extent possible, use independent financial audits provided by
3 the community-based care agency to eliminate or reduce the
4 ongoing contract and administrative reviews conducted by the
5 department. The department may suggest additional items to be
6 included in such independent financial audits to meet the
7 department's needs. Should the department determine that such
8 independent financial audits are inadequate, then other
9 audits, as necessary, may be conducted by the department.
10 Nothing herein shall abrogate the requirements of s. 215.97.
11 The department shall submit an annual report regarding quality
12 performance, outcome measure attainment, and cost efficiency
13 to the President of the Senate, the Speaker of the House of
14 Representatives, the minority leader of each house of the
15 Legislature, and the Governor no later than January 31 of each
16 year for each project in operation during the preceding fiscal
17 year.

18 (6) Beginning January 1, 1999, and continuing at least
19 through June 30, 2000, the Department of Children and Family
20 Services shall outsource ~~privatize~~ all foster care and related
21 services in district 5 while continuing to contract with the
22 current model programs in districts 1, 4, and 13, and in
23 subdistrict 8A, and shall expand the subdistrict 8A pilot
24 program to incorporate Manatee County. Planning for the
25 district 5 outsourcing ~~privatization~~ shall be done by
26 providers that are currently under contract with the
27 department for foster care and related services and shall be
28 done in consultation with the department. A lead provider of
29 the district 5 program shall be competitively selected, must
30 demonstrate the ability to provide necessary comprehensive
31 services through a local network of providers, and must meet

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1 criteria established in this section. Contracts with
2 organizations responsible for the model programs must include
3 the management and administration of all outsourced ~~privatized~~
4 services specified in subsection (1). However, the department
5 may use funds for contract management only after obtaining
6 written approval from the Executive Office of the Governor.
7 The request for such approval must include, but is not limited
8 to, a statement of the proposed amount of such funds and a
9 description of the manner in which such funds will be used. If
10 the community-based organization selected for a model program
11 under this subsection is not a Medicaid provider, the
12 organization shall be issued a Medicaid provider number
13 pursuant to s. 409.907 for the provision of services currently
14 authorized under the state Medicaid plan to those children
15 encompassed in this model and in a manner not to exceed the
16 current level of state expenditure.

17 (9) Each district and subdistrict that participates in
18 the model program effort or any future outsourcing
19 ~~privatization~~ effort as described in this section must
20 thoroughly analyze and report the complete direct and indirect
21 costs of delivering these services through the department and
22 the full cost of outsourcing ~~privatization~~, including the cost
23 of monitoring and evaluating the contracted services.

24 Section 4. The Office of Program Policy Analysis and
25 Government Accountability shall conduct two reviews of the
26 contract-management and accountability structures of the
27 Department of Children and Family Services, including, but not
28 limited to, whether the department is adequately monitoring
29 and managing its outsourced or privatized functions and
30 services. The office shall report its findings and
31 recommendations to the President of the Senate, the Speaker of

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1 the House of Representatives, and the Auditor General by
2 February 1 of 2006 and 2007, respectively.

3 Section 5. Section 402.72, Florida Statutes, is
4 repealed.

5 Section 6. This act shall take effect July 1, 2005.

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