



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

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:  
31

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

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

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

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

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

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

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

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

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

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



1           c. Meet all legal requirements for record retention.  
2           d. Allow for transfer to the state, at no cost, all  
3 public records in possession of the external service provider  
4 upon termination of the contract.  
5           6. A department transition and implementation plan for  
6 addressing changes in the number of agency personnel, affected  
7 business processes, and employee-transition issues. Such a  
8 plan must also specify the mechanism for continuing the  
9 operation of the service if the contractor fails to perform  
10 and comply with the performance measures and standards and  
11 provisions of the contract. Within this plan, the department  
12 shall identify all resources, including full-time equivalent  
13 positions, which are subject to outsourcing. All full-time  
14 equivalent positions identified in the plan shall be placed in  
15 reserve by the Executive Office of the Governor until the end  
16 of the second year of the contract. Notwithstanding the  
17 provisions of section 216.262, Florida Statutes, the Executive  
18 Office of the Governor shall request authority from the  
19 Legislative Budget Commission to reestablish full-time  
20 positions above the number fixed by the Legislature when a  
21 contract is terminated and the outsourced service must be  
22 returned to the department.  
23           7. A listing of assets proposed for transfer to or use  
24 by the external service provider, a description of the  
25 proposed requirements for maintenance of those assets by the  
26 external service provider or the department in accordance with  
27 chapter 273, Florida Statutes, a plan for their disposition  
28 upon termination of the contract, and a description of how the  
29 planned asset transfer or use by the contractor is in the best  
30 interest of the department and the state.  
31

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

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

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

1           (d) The department may not privatize a service without  
2 specific authority provided in general law, the General  
3 Appropriations Act, legislation implementing the General  
4 Appropriations Act, or a special appropriations act.

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

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

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

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

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

27           a. Acceptance criteria for each deliverable and  
28 service to be provided to the department under the terms of  
29 the contract which document, to the greatest extent possible,  
30 the required performance level. Acceptance criteria must be  
31

1 detailed, clear, and unambiguous and shall be used to measure  
2 deliverables and services to be provided under the contract.

3 b. A method for monitoring and reporting progress in  
4 achieving specified performance standards and levels.

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

1 remedies described in this paragraph may be cumulative and may  
2 be assessed upon each separate failure to comply with  
3 instructions from the department to complete corrective  
4 action.

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

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

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

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

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

23 a. Keep and maintain the public records that  
24 ordinarily and necessarily would be required by the department  
25 to perform the service.

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

29 c. Ensure the confidentiality of records that are  
30 exempt from disclosure or confidential under law.  
31

1           d. Meet all legal and auditing requirements for record  
2 retention, and transfer to the state, at no cost to the state,  
3 all public records in possession of the contractor upon  
4 termination of the contract. All records stored electronically  
5 must be provided to the state in the format compatible with  
6 state information technology systems.

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

19           10. A provision that the contractor annually submit  
20 and verify, under section 92.525, Florida Statutes, all  
21 required financial statements.

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

27           (b) A contract may include cost-neutral,  
28 performance-based incentives that may vary according to the  
29 extent a contractor achieves or surpasses the performance  
30 standards set forth in the contract. The incentives may be  
31 weighted proportionally to reflect the extent to which the

1 contractor has demonstrated that it has consistently met or  
2 exceeded the contractual requirements and the performance  
3 standards.

4 (c) The department shall review the time period for  
5 which it executes contracts and, to the greatest extent  
6 practicable, shall execute multiyear contracts to make the  
7 most efficient use of the resources devoted to contract  
8 processing and execution.

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

14 (e) The department may not amend a contract without  
15 first submitting the proposed contract amendment to the  
16 Executive Office of the Governor for approval if the effect of  
17 the amendment would be to increase:

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

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

1 Executive Office of the Governor shall disapprove the proposed  
2 contract amendment or shall submit the proposed contract  
3 amendment to the Administration Commission. The proposed  
4 contract amendment may be approved by the Administration  
5 Commission by a two-thirds vote of the members present with  
6 the Governor voting in the affirmative. In the absence of  
7 approval by the commission, the proposed contract amendment  
8 shall be automatically disapproved. Otherwise, upon approval  
9 by the Governor or Administration Commission, the department  
10 may execute the contract amendment.

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

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

27 (g) The department shall, in consultation with the  
28 Department of Management Services, develop contract templates  
29 and guidelines that define the mandatory contract provisions  
30 and other requirements identified in this subsection and that  
31 must be used for all contractual service contracts meeting the



1 requirements of this subsection. All contract templates and  
2 guidelines shall be developed by September 30, 2005.

3 (6) CONTRACT-MANAGEMENT REQUIREMENTS AND  
4 PROCESS.--Notwithstanding section 287.057(15), Florida  
5 Statutes, the department is responsible for establishing a  
6 contract-management process that requires a member of the  
7 department's Senior Management Service to assign in writing  
8 the responsibility of a contract to a contract manager. The  
9 department shall maintain a set of procedures describing its  
10 contract-management process which must minimally include the  
11 following requirements:

12 (a) The contract manager shall maintain the official  
13 contract file throughout the duration of the contract and for  
14 a period not less than 6 years after the termination of the  
15 contract.

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

31

1           (c) The contract manager shall maintain a schedule of  
2 payments and total amounts disbursed and shall periodically  
3 reconcile the records with the state's official accounting  
4 records.

5           (d) For contracts involving the provision of direct  
6 client services, the contract manager shall periodically visit  
7 the physical location where the services are delivered and  
8 speak directly to clients receiving the services and the staff  
9 responsible for delivering the services.

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

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

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

1 appropriate, and maintain records regarding the completion or  
2 failure to complete corrective-action items.

3 (h) The contract manager shall document any contract  
4 modifications, which shall include recording any contract  
5 amendments as provided for in this section.

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

8  
9 The department shall develop standards of conduct and a range  
10 of disciplinary actions for its employees which are  
11 specifically related to carrying out contract-management  
12 responsibilities.

13 (7) CONTRACT-MONITORING REQUIREMENTS AND PROCESS.--The  
14 department shall establish contract-monitoring units staffed  
15 by full-time career service employees who report to a member  
16 of the Select Exempt Service or Senior Management Service and  
17 who have been properly trained to perform contract monitoring.  
18 A member of the Senior Management Service shall assign in  
19 writing a specific contract to a contract-monitoring unit,  
20 with at least one member of the contract-monitoring unit  
21 possessing specific knowledge and experience in the contract's  
22 program area. The department shall establish a  
23 contract-monitoring process that must include, but need not be  
24 limited to, the following requirements:

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

31

1           (b) Preparing a contract-monitoring plan, including  
2 sampling procedures, before performing on-site monitoring at  
3 external locations of a service provider. The plan must  
4 include a description of the programmatic, fiscal, and  
5 administrative components that will be monitored on-site. If  
6 appropriate, clinical and therapeutic components may be  
7 included.

8           (c) Conducting analyses of the performance and  
9 compliance of an external service provider by means of desk  
10 reviews if the external service provider will not be monitored  
11 on-site during a fiscal year.

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

21           (e) For contracts involving the provision of direct  
22 client services, requiring the contract monitor to visit the  
23 physical location where the services are being delivered and  
24 to speak directly to the clients receiving the services and  
25 with the staff responsible for delivering the services.

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

28  
29 The department shall develop standards of conduct and a range  
30 of disciplinary actions for its employees which are  
31

1 specifically related to carrying out contract-monitoring  
2 responsibilities.

3 (8) REPORTS TO THE LEGISLATURE.--Beginning October 1,  
4 2005, the department shall make available to the Legislature  
5 electronically all documents associated with the procurement  
6 and contracting functions of the department. The documents in  
7 the database must include, but are not limited to, all:

8 (a) Business cases;

9 (b) Procurement documents;

10 (c) Contracts and any related files, attachments, or  
11 amendments;

12 (d) Contract monitoring reports;

13 (e) Corrective action plans and reports of corrective  
14 actions taken when contractor performance deficiencies are  
15 identified; and

16 (f) Status reports on all outsourcing initiatives  
17 describing the progress by the department towards achieving  
18 the business objectives, costs, savings, and quantifiable  
19 benefits identified in the business case.

20 Section 2. Section 402.73, Florida Statutes, is  
21 amended to read:

22 402.73 Contracting and performance standards.--

23 ~~(1) The Department of Children and Family Services~~  
24 ~~shall establish performance standards for all contracted~~  
25 ~~client services. Notwithstanding s. 287.057(5)(f), the~~  
26 ~~department must competitively procure any contract for client~~  
27 ~~services when any of the following occurs:~~

28 ~~(a) The provider fails to meet appropriate performance~~  
29 ~~standards established by the department after the provider has~~  
30 ~~been given a reasonable opportunity to achieve the established~~  
31 ~~standards.~~

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

4           ~~(c) The department has concluded, after reviewing~~  
5 ~~market prices and available treatment options, that there is~~  
6 ~~evidence that the department can improve the performance~~  
7 ~~outcomes produced by its contract resources. At a minimum, the~~  
8 ~~department shall review market prices and available treatment~~  
9 ~~options biennially. The department shall compile the results~~  
10 ~~of the biennial review and include the results in its annual~~  
11 ~~performance report to the Legislature pursuant to chapter~~  
12 ~~94-249, Laws of Florida. The department shall provide notice~~  
13 ~~and an opportunity for public comment on its review of market~~  
14 ~~prices and available treatment options.~~

15           ~~(2) The competitive requirements of subsection (1)~~  
16 ~~must be initiated for each contract that meets the criteria of~~  
17 ~~this subsection, unless the secretary makes a written~~  
18 ~~determination that particular facts and circumstances require~~  
19 ~~deferral of the competitive process. Facts and circumstances~~  
20 ~~must be specifically described for each individual contract~~  
21 ~~proposed for deferral and must include one or more of the~~  
22 ~~following:~~

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

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

28           ~~(c) A threat to the service infrastructure of a~~  
29 ~~community which could endanger the well being of the~~  
30 ~~department's clients.~~

31

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

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

1 ~~including, but not limited to, funds derived from local~~  
2 ~~governments. These alternative procedures need not conform to~~  
3 ~~the requirements of s. 287.042 or s. 287.057(1) or (2).~~

4 ~~(4) The department shall review the period for which~~  
5 ~~it executes contracts and, to the greatest extent practicable,~~  
6 ~~shall execute multiyear contracts to make the most efficient~~  
7 ~~use of the resources devoted to contract processing and~~  
8 ~~execution.~~

9 ~~(5) When it is in the best interest of a defined~~  
10 ~~segment of its consumer population, the department may~~  
11 ~~competitively procure and contract for systems of treatment or~~  
12 ~~service that involve multiple providers, rather than procuring~~  
13 ~~and contracting for treatment or services separately from each~~  
14 ~~participating provider. The department must ensure that all~~  
15 ~~providers that participate in the treatment or service system~~  
16 ~~meet all applicable statutory, regulatory, service quality,~~  
17 ~~and cost control requirements. If other governmental entities~~  
18 ~~or units of special purpose government contribute matching~~  
19 ~~funds to the support of a given system of treatment or~~  
20 ~~service, the department shall formally request information~~  
21 ~~from those funding entities in the procurement process and may~~  
22 ~~take the information received into account in the selection~~  
23 ~~process. If a local government contributes match to support~~  
24 ~~the system of treatment or contracted service and if the match~~  
25 ~~constitutes at least 25 percent of the value of the contract,~~  
26 ~~the department shall afford the governmental match contributor~~  
27 ~~an opportunity to name an employee as one of the persons~~  
28 ~~required by s. 287.057(17) to evaluate or negotiate certain~~  
29 ~~contracts, unless the department sets forth in writing the~~  
30 ~~reason why such inclusion would be contrary to the best~~  
31 ~~interest of the state. Any employee so named by the~~



1 ~~governmental match contributor shall qualify as one of the~~  
2 ~~persons required by s. 287.057(17). No governmental entity or~~  
3 ~~unit of special purpose government may name an employee as one~~  
4 ~~of the persons required by s. 287.057(17) if it, or any of its~~  
5 ~~political subdivisions, executive agencies, or special~~  
6 ~~districts, intends to compete for the contract to be awarded.~~  
7 ~~The governmental funding entity or match contributor shall~~  
8 ~~comply with any deadlines and procurement procedures~~  
9 ~~established by the department. The department may also involve~~  
10 ~~nongovernmental funding entities in the procurement process~~  
11 ~~when appropriate.~~

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

15 ~~(7) The department shall adopt, by rule, provisions~~  
16 ~~for including in its contracts incremental penalties to be~~  
17 ~~imposed by its contract managers on a service provider due to~~  
18 ~~the provider's failure to comply with a requirement for~~  
19 ~~corrective action. Any financial penalty that is imposed upon~~  
20 ~~a provider may not be paid from funds being used to provide~~  
21 ~~services to clients, and the provider may not reduce the~~  
22 ~~amount of services being delivered to clients as a method for~~  
23 ~~offsetting the impact of the penalty. If a financial penalty~~  
24 ~~is imposed upon a provider that is a corporation, the~~  
25 ~~department shall notify, at a minimum, the board of directors~~  
26 ~~of the corporation. The department may notify, at its~~  
27 ~~discretion, any additional parties that the department~~  
28 ~~believes may be helpful in obtaining the corrective action~~  
29 ~~that is being sought. Further, the rules adopted by the~~  
30 ~~department must include provisions that permit the department~~  
31 ~~to deduct the financial penalties from funds that would~~

1 ~~otherwise be due to the provider, not to exceed 10 percent of~~  
2 ~~the amount that otherwise would be due to the provider for the~~  
3 ~~period of noncompliance. If the department imposes a financial~~  
4 ~~penalty, it shall advise the provider in writing of the cause~~  
5 ~~for the penalty. A failure to include such deductions in a~~  
6 ~~request for payment constitutes a ground for the department to~~  
7 ~~reject that request for payment. The remedies identified in~~  
8 ~~this subsection do not limit or restrict the department's~~  
9 ~~application of any other remedy available to it in the~~  
10 ~~contract or under law. The remedies described in this~~  
11 ~~subsection may be cumulative and may be assessed upon each~~  
12 ~~separate failure to comply with instructions from the~~  
13 ~~department to complete corrective action.~~

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

18 ~~(1)(9)~~ The Agency for Persons with Disabilities  
19 ~~department~~ must implement systems and controls to ensure  
20 financial integrity and service provision quality in the  
21 developmental services Medicaid waiver service system.

22 ~~(10) If a provider fails to meet the performance~~  
23 ~~standards established in the contract, the department may~~  
24 ~~allow a reasonable period for the provider to correct~~  
25 ~~performance deficiencies. If performance deficiencies are not~~  
26 ~~resolved to the satisfaction of the department within the~~  
27 ~~prescribed time, and if no extenuating circumstances can be~~  
28 ~~documented by the provider to the department's satisfaction,~~  
29 ~~the department must cancel the contract with the provider. The~~  
30 ~~department may not enter into a new contract with that same~~  
31 ~~provider for the services for which the contract was~~

1 ~~previously canceled for a period of at least 24 months after~~  
2 ~~the date of cancellation. If an adult substance abuse services~~  
3 ~~provider fails to meet the performance standards established~~  
4 ~~in the contract, the department may allow a reasonable period,~~  
5 ~~not to exceed 6 months, for the provider to correct~~  
6 ~~performance deficiencies. If the performance deficiencies are~~  
7 ~~not resolved to the satisfaction of the department within 6~~  
8 ~~months, the department must cancel the contract with the adult~~  
9 ~~substance abuse provider, unless there is no other qualified~~  
10 ~~provider in the service district.~~

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

24 ~~(12) The department shall develop and refine~~  
25 ~~contracting and accountability methods that are~~  
26 ~~administratively efficient and that provide for optimal~~  
27 ~~provider performance.~~

28 ~~(13) The department may competitively procure any~~  
29 ~~contract when it deems it is in the best interest of the state~~  
30 ~~to do so. The requirements described in subsection (1) do not,~~  
31 ~~and may not be construed to, limit in any way the department's~~

1 ~~ability to competitively procure any contract it executes, and~~  
2 ~~the absence of any or all of the criteria described in~~  
3 ~~subsection (1) may not be used as the basis for an~~  
4 ~~administrative or judicial protest of the department's~~  
5 ~~determination to conduct competition, make an award, or~~  
6 ~~execute any contract.~~

7 ~~(14) A contract may include cost neutral,~~  
8 ~~performance based incentives that may vary according to the~~  
9 ~~extent a provider achieves or surpasses the performance~~  
10 ~~standards set forth in the contract. Such incentives may be~~  
11 ~~weighted proportionally to reflect the extent to which the~~  
12 ~~provider has demonstrated that it has consistently met or~~  
13 ~~exceeded the contractual requirements and the department's~~  
14 ~~performance standards.~~

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

18 Section 3. Paragraphs (a), (b), (e), (f), and (g) of  
19 subsection (1), paragraph (b) of subsection (2), paragraph (a)  
20 of subsection (4), and subsections (6) and (9) of section  
21 409.1671, Florida Statutes, are amended to read:

22 409.1671 Foster care and related services;  
23 privatization.--

24 (1)(a) It is the intent of the Legislature that the  
25 Department of Children and Family Services shall outsource  
26 ~~privatize~~ the provision of foster care and related services  
27 statewide. It is further the Legislature's intent to encourage  
28 communities and other stakeholders in the well-being of  
29 children to participate in assuring that children are safe and  
30 well-nurtured. However, while recognizing that some local  
31 governments are presently funding portions of certain foster

1 care and related services programs and may choose to expand  
2 such funding in the future, the Legislature does not intend by  
3 its outsourcing ~~privatization~~ of foster care and related  
4 services that any county, municipality, or special district be  
5 required to assist in funding programs that previously have  
6 been funded by the state. Counties that provide children and  
7 family services with at least 40 licensed residential group  
8 care beds by July 1, 2003, and provide at least \$2 million  
9 annually in county general revenue funds to supplement foster  
10 and family care services shall continue to contract directly  
11 with the state and shall be exempt from the provisions of this  
12 section. Nothing in this paragraph prohibits any county,  
13 municipality, or special district from future voluntary  
14 funding participation in foster care and related services. As  
15 used in this section, the term "outsource" ~~"privatize"~~ means  
16 to contract with competent, community-based agencies. The  
17 department shall submit a plan to accomplish outsourcing  
18 ~~privatization~~ statewide, through a competitive process, phased  
19 in over a 3-year period beginning January 1, 2000. This plan  
20 must be developed with local community participation,  
21 including, but not limited to, input from community-based  
22 providers that are currently under contract with the  
23 department to furnish community-based foster care and related  
24 services, and must include a methodology for determining and  
25 transferring all available funds, including federal funds that  
26 the provider is eligible for and agrees to earn and that  
27 portion of general revenue funds which is currently associated  
28 with the services that are being furnished under contract. The  
29 methodology must provide for the transfer of funds  
30 appropriated and budgeted for all services and programs that  
31 have been incorporated into the project, including all

1 management, capital (including current furniture and  
2 equipment), and administrative funds to accomplish the  
3 transfer of these programs. This methodology must address  
4 expected workload and at least the 3 previous years'  
5 experience in expenses and workload. With respect to any  
6 district or portion of a district in which outsourcing  
7 ~~privatization~~ cannot be accomplished within the 3-year  
8 timeframe, the department must clearly state in its plan the  
9 reasons the timeframe cannot be met and the efforts that  
10 should be made to remediate the obstacles, which may include  
11 alternatives to total outsourcing ~~privatization~~, such as  
12 public-private partnerships. As used in this section, the term  
13 "related services" includes, but is not limited to, family  
14 preservation, independent living, emergency shelter,  
15 residential group care, foster care, therapeutic foster care,  
16 intensive residential treatment, foster care supervision, case  
17 management, postplacement supervision, permanent foster care,  
18 and family reunification. Unless otherwise provided for, the  
19 state attorney shall provide child welfare legal services,  
20 pursuant to chapter 39 and other relevant provisions, in  
21 Pinellas and Pasco Counties. When a private nonprofit agency  
22 has received case management responsibilities, transferred  
23 from the state under this section, for a child who is  
24 sheltered or found to be dependent and who is assigned to the  
25 care of the outsourcing ~~privatization~~ project, the agency may  
26 act as the child's guardian for the purpose of registering the  
27 child in school if a parent or guardian of the child is  
28 unavailable and his or her whereabouts cannot reasonably be  
29 ascertained. The private nonprofit agency may also seek  
30 emergency medical attention for such a child, but only if a  
31 parent or guardian of the child is unavailable, his or her

1 | whereabouts cannot reasonably be ascertained, and a court  
2 | order for such emergency medical services cannot be obtained  
3 | because of the severity of the emergency or because it is  
4 | after normal working hours. However, the provider may not  
5 | consent to sterilization, abortion, or termination of life  
6 | support. If a child's parents' rights have been terminated,  
7 | the nonprofit agency shall act as guardian of the child in all  
8 | circumstances.

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

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

29 |           a. A set of uniform criteria, developed in  
30 | consultation with currently operating community-based care  
31 | lead agencies and reflecting national accreditation standards,

1 that evaluate programmatic, financial, technical assistance,  
2 training and organizational competencies; and

3           b. Local criteria reflective of the local  
4 community-based care design and the community alliance  
5 priorities.

6           2. The readiness assessment shall be conducted by a  
7 joint team of district and lead agency staff with direct  
8 experience with the start up and operation of a  
9 community-based care service program and representatives from  
10 the appropriate community alliance. Within resources available  
11 for this purpose, the department may secure outside audit  
12 expertise when necessary to assist a readiness assessment  
13 team.

14           3. Upon completion of a readiness assessment, the  
15 assessment team shall conduct an exit conference with the  
16 district and lead agency staff responsible for the transition.

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

28           (e) As used in this section, the term "eligible lead  
29 community-based provider" means a single agency with which the  
30 department shall contract for the provision of child  
31 protective services in a community that is no smaller than a



1 county. The secretary of the department may authorize more  
2 than one eligible lead community-based provider within a  
3 single county when to do so will result in more effective  
4 delivery of foster care and related services. To compete for  
5 an outsourcing ~~a privatization~~ project, such agency must have:

6 1. The ability to coordinate, integrate, and manage  
7 all child protective services in the designated community in  
8 cooperation with child protective investigations.

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

12 3. The ability to provide directly, or contract for  
13 through a local network of providers, all necessary child  
14 protective services. Such agencies should directly provide no  
15 more than 35 percent of all child protective services  
16 provided.

17 4. The willingness to accept accountability for  
18 meeting the outcomes and performance standards related to  
19 child protective services established by the Legislature and  
20 the Federal Government.

21 5. The capability and the willingness to serve all  
22 children referred to it from the protective investigation and  
23 court systems, regardless of the level of funding allocated to  
24 the community by the state, provided all related funding is  
25 transferred.

26 6. The willingness to ensure that each individual who  
27 provides child protective services completes the training  
28 required of child protective service workers by the Department  
29 of Children and Family Services.

30 7. The ability to maintain eligibility to receive all  
31 federal child welfare funds, including Title IV-E and IV-A

1 funds, currently being used by the Department of Children and  
2 Family Services.

3           8. Written agreements with Healthy Families Florida  
4 lead entities in their community, pursuant to s. 409.153, to  
5 promote cooperative planning for the provision of prevention  
6 and intervention services.

7           9. A board of directors, of which at least 51 percent  
8 of the membership is comprised of persons residing in this  
9 state. Of the state residents, at least 51 percent must also  
10 reside within the service area of the lead community-based  
11 provider.

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

30           2. The Legislature further finds that, by requiring  
31 the following minimum levels of insurance, children in

1 ~~outsourced~~ ~~privatized~~ foster care and related services will  
2 gain increased protection and rights of recovery in the event  
3 of injury than provided for in s. 768.28.

4 (g) In any county in which a service contract has not  
5 been executed by December 31, 2004, the department shall  
6 ensure access to a model comprehensive residential services  
7 program as described in s. 409.1677 which, without imposing  
8 undue financial, geographic, or other barriers, ensures  
9 reasonable and appropriate participation by the family in the  
10 child's program.

11 1. In order to ensure that the program is operational  
12 by December 31, 2004, the department must, by December 31,  
13 2003, begin the process of establishing access to a program in  
14 any county in which the department has not either entered into  
15 a transition contract or approved a community plan, as  
16 described in paragraph (d), which ensures full outsourcing  
17 ~~privatization~~ by the statutory deadline.

18 2. The program must be procured through a competitive  
19 process.

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

23 (2)

24 (b) Persons employed by the department in the  
25 provision of foster care and related services whose positions  
26 are being outsourced under ~~privatized pursuant to~~ this statute  
27 shall be given hiring preference by the provider, if provider  
28 qualifications are met.

29 (4)(a) The department, in consultation with the  
30 community-based agencies that are undertaking the outsourced  
31 ~~privatized~~ projects, shall establish a quality assurance

1 | program for privatized services. The quality assurance program  
2 | shall be based on standards established by the Adoption and  
3 | Safe Families Act as well as by a national accrediting  
4 | organization such as the Council on Accreditation of Services  
5 | for Families and Children, Inc. (COA) or CARF--the  
6 | Rehabilitation Accreditation Commission. Each program operated  
7 | under contract with a community-based agency must be evaluated  
8 | annually by the department. The department shall, to the  
9 | extent possible, use independent financial audits provided by  
10 | the community-based care agency to eliminate or reduce the  
11 | ongoing contract and administrative reviews conducted by the  
12 | department. The department may suggest additional items to be  
13 | included in such independent financial audits to meet the  
14 | department's needs. Should the department determine that such  
15 | independent financial audits are inadequate, then other  
16 | audits, as necessary, may be conducted by the department.  
17 | Nothing herein shall abrogate the requirements of s. 215.97.  
18 | The department shall submit an annual report regarding quality  
19 | performance, outcome measure attainment, and cost efficiency  
20 | to the President of the Senate, the Speaker of the House of  
21 | Representatives, the minority leader of each house of the  
22 | Legislature, and the Governor no later than January 31 of each  
23 | year for each project in operation during the preceding fiscal  
24 | year.

25 |           (6) Beginning January 1, 1999, and continuing at least  
26 | through June 30, 2000, the Department of Children and Family  
27 | Services shall outsource ~~privatize~~ all foster care and related  
28 | services in district 5 while continuing to contract with the  
29 | current model programs in districts 1, 4, and 13, and in  
30 | subdistrict 8A, and shall expand the subdistrict 8A pilot  
31 | program to incorporate Manatee County. Planning for the

1 | district 5 outsourcing ~~privatization~~ shall be done by  
2 | providers that are currently under contract with the  
3 | department for foster care and related services and shall be  
4 | done in consultation with the department. A lead provider of  
5 | the district 5 program shall be competitively selected, must  
6 | demonstrate the ability to provide necessary comprehensive  
7 | services through a local network of providers, and must meet  
8 | criteria established in this section. Contracts with  
9 | organizations responsible for the model programs must include  
10 | the management and administration of all outsourced ~~privatized~~  
11 | services specified in subsection (1). However, the department  
12 | may use funds for contract management only after obtaining  
13 | written approval from the Executive Office of the Governor.  
14 | The request for such approval must include, but is not limited  
15 | to, a statement of the proposed amount of such funds and a  
16 | description of the manner in which such funds will be used. If  
17 | the community-based organization selected for a model program  
18 | under this subsection is not a Medicaid provider, the  
19 | organization shall be issued a Medicaid provider number  
20 | pursuant to s. 409.907 for the provision of services currently  
21 | authorized under the state Medicaid plan to those children  
22 | encompassed in this model and in a manner not to exceed the  
23 | current level of state expenditure.

24 |         (9) Each district and subdistrict that participates in  
25 | the model program effort or any future outsourcing  
26 | ~~privatization~~ effort as described in this section must  
27 | thoroughly analyze and report the complete direct and indirect  
28 | costs of delivering these services through the department and  
29 | the full cost of outsourcing ~~privatization~~, including the cost  
30 | of monitoring and evaluating the contracted services.  
31 |

1           Section 4. The Office of Program Policy Analysis and  
2 Government Accountability shall conduct two reviews of the  
3 contract-management and accountability structures of the  
4 Department of Children and Family Services, including, but not  
5 limited to, whether the department is adequately monitoring  
6 and managing its outsourced or privatized functions and  
7 services. The office shall report its findings and  
8 recommendations to the President of the Senate, the Speaker of  
9 the House of Representatives, and the Auditor General by  
10 February 1 of 2006 and 2007, respectively.

11           Section 5. Section 402.72, Florida Statutes, is  
12 repealed.

13           Section 6. This act shall take effect July 1, 2005.  
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1                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
2                                   COMMITTEE SUBSTITUTE FOR  
3   Senate Bill 1476  
4 Clarifies the definitions of "contract manager," "contract  
5 monitor," "outsourcing," "performance measure," and "privatize,"  
6 and adds a definition for "performance standard."  
7 Requires the Department of Children and Families (DCF) to  
8 provide an opportunity for competition among postsecondary  
9 institutions when DCF procures from those institutions and  
10 limits the ability of the postsecondary institution to  
11 subcontract a DCF contract.  
12 Clarifies that DCF may privatize a service only after  
13 receiving a specific legislative authority.  
14 Provides direction to DCF regarding the renewal of a contract.  
15 Removes the requirement that DCF provide reports to the  
16 Legislature, replacing that provision with a requirement that  
17 DCF make available electronically to the Legislature all  
18 documents associated with DCF's procurement and contracting  
19 functions.  
20 Amends s. 409.1671, F.S., to conform definitions.  
21 Corrects the date of the first required report from the Office  
22 of Program Policy Analysis and Government Accountability.  
23 Preserves the requirement that systems and controls be  
24 implemented to ensure financial integrity and service  
25 provision quality in the Medicaid waiver service system,  
26 amending s. 402.73, F.S., to change the name of the agency  
27 responsible for meeting that requirement from DCF to the  
28 Agency for Persons with Disabilities.  
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