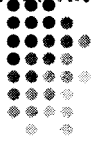


State Contracts and Office of the State Controller

September 23, 2008

Bob Jaros, Deputy State Controller



Agenda

- Authority
- Functions of Office of the State Controller
- Contract Process
- Intergovernmental Agreements
- What's New

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Authority

- Colorado Revised Statute (CRS) 24-30-202 "State Controller's Statute"
- Other Statutes (SB 07-228)
 - 24-102-205 Centralized contract management system
 - 24-103.5-101 Monitoring of vendor performance
 - 24-105-102 Performance evaluation reports

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Functions of Office of the State Controller (OSC)



- **Financial Reporting**
 - Prepare statewide financial reports, including Comprehensive Annual Financial Report (CAFR)
 - Oversee the State end-of-year financial close
- **Central Payroll**
 - All State employees except for Higher Education

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Functions of OSC



- **Central Accounting**
 - Form 1099 reporting and warrant (check) issuance
- **State Fiscal Rules**
- **Compliance reviews**
- **Central Contracting and Contract Administration**

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Functions of OSC



- **Central Contracting and Contract Administration**
 - Develop contract fiscal rules and policies
 - Draft model contracts
 - Set direction for State contracting
 - Enforce compliance with contracting statutes
 - Train agencies
 - Negotiate certain contracts
 - Review and approve high risk contracts

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Contract Process



- Form and content of contracts prescribed by Fiscal Rules
 - Rule 2-2 Commitment Vouchers
 - Rule 3-1 State Contracts
- Forms and Rules available at:
<http://www.colorado.gov/dpa/dfp/sco/contracts.htm>

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Contract Process



- Fiscal Rule 3-1 State Contracts
 - Expenditure Contracts
 - Revenue Contracts
 - Other Contracts
- Expenditure Contracts require approval by the Office of the State Controller

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Contract Process



- Contract Approval – Parties
 - Contractor/Vendor
 - State Agency Executive Director or delegate
 - State Controller or delegate (expenditure contracts)
- Central Approvers for State Agencies
 - Depends on nature of contract:
 - State Architect, Chief Information Officer, State Personnel Director
 - Other Officers

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Contract Process

- Delegation from State Controller
 - Contract can be approved within agency or institution of higher education by State Controller delegate if considered a "low risk" contract
- No Delegation
 - All contracts must be sent to Office of the State Controller (OSC) for review and approval

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Contract Process

- Risk-Based Approach for Delegated Agencies and Institutions of Higher Education
 - Agencies use a form to determine whether contract is high or low risk; Institutions use dollar threshold and internal form
 - Low risk contract can be approved within agency by State Controller delegate
 - High risk contracts must be sent to Office of the State Controller (OSC) for review and approval

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Contract Process

- Steps up to contract approval (typically Procurement and "Contract Administration")
 1. Determine need
 2. Procurement process
 3. Contract creation
 4. Contract negotiation
 5. Contract approval

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Contract Process



- Contract Approval to Contract Close Out
 1. Program staff monitors performance
 2. Accounting pays invoices per contract terms after internal agency approval process
 3. If problems occur that are contractual, Program Staff notifies Contract Administration

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Contract Process



- Model contracts
 - Personal Services
 - Information Technology
 - Interagency
 - Intergovernmental
 - Grants
 - Real Property Leases
- Waived contracts – fill in the blank
- Capital construction

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Intergovernmental Agreements



- Office of the State Controller has model agreement
- Each agency develops its own template depending on nature of the agreement and funding source

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Intergovernmental Agreements

Generally three types of intergovernmental agreements:

1. Colorado Political Subdivisions – cities, counties, districts
2. Other State Governments
3. Federal Government

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Intergovernmental Agreements

- Contracts with Political Subdivisions
 - Mostly waived contracts
 - Example – Colorado Department of Labor and Employment and Workforce Regions
 - Contract with larger counties (Denver, Arapahoe, Adams, Jefferson, El Paso/Teller, Larimer, Weld, Boulder, Mesa, Broomfield)
 - Issued every year
 - Term is for 3 years, the length of the funding from the US Department of Labor

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What's New

- SB 07-228
 - Contract Management System
 - Contract Monitoring
 - Vendor Performance
- Timing: June 30, 2009

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What's New

- **Contract Management System**
 - Database
 - Searchable, Public
 - Key metrics on performance
 - Contract Management
 - Contract creation
 - Workflow
 - RFP responses being evaluated

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What's New

- **Contract Monitoring**
 - Meet the Statutory requirements
 - Cost, quality, timeliness
 - Performance measures specifically for the contract (statement of work)
 - Entered into Contract Management System
 - Program staff and contract administration have greater visibility of contractor performance

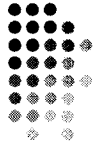
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What's New

- **Vendor Performance**
 - Special reporting for capital construction
 - Performance measures
 - Part of Contract Management System

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Questions



Thank You!!



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