



Child Welfare Digital Services (CWDS)

Contract Management Plan

Revision History

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1 EXECUTIVE SUMMARY

Child Welfare Digital Services (CWDS) is a collaboration of State and local government agencies dedicated to maintaining the existing child welfare information system and building a new child welfare information system that responds to users' needs while maintaining the best standards for security and data integrity. The CWDS Contract Management Plan (Plan) provides a framework that ensures contract management best practices are followed for the Child Welfare Services/Case Management System (CWS/CMS) and the Child Welfare Services—California Automated Response and Engagement System (CWS-CARES) Project.

This Plan identifies the resources, roles, and responsibilities for ensuring contract deliverables are defined and monitored, and expected services are satisfactorily delivered to meet scheduled milestones and project goals. The Plan also addresses other contractual issues, such as transition planning in the case of contract termination, contract disputes, invoice processing, and replacement of Contractor staff. In addition, the escalation process outlined in the Plan will be used to ensure critical issues are resolved timely to prevent negative impacts to the CWDS organization and its stakeholders, and to ensure the appropriate parties are informed and involved in critical decision-making.

A key component to ensure compliance with the terms and conditions of any contract is successfully managing a Contractor's performance. To achieve this, the CWDS Contract Management Framework leverages three roles: the State Contract Manager, the State Functional Manager (SFM), and the Contract Analyst. The State Contract Manager manages all CWDS contracts to ensure compliance with State contracting requirements. The SFM is responsible for the day to day direction, approval of contract staff activities, and acceptance of deliverables. The Contract Analyst partners with the SFM to ensure services are performed as specified within the contract. The collaboration and synergy between these three roles, and other critical partners within the Project and the Office of Systems Integration (OSI), allows CWDS to proactively manage contracts.

This Plan is a living document that is maintained by the Procurement and Contract Management (PCM) Unit and is part of the CWS-CARES Project Management Plan. As such, overall contract management efforts are overseen by the CWDS Project Management Office as a check and balance to contract decision making, processes, and procedures.

2 INTRODUCTION

The Child Welfare Digital Services (CWDS) Contract Management Plan (hereafter called the “Plan”) provides a framework that ensures contract management best practices are followed. The CWDS manages the legacy Child Welfare Services/Case Management System (CWS/CMS) and the Child Welfare Services – California Automated Response and Engagement System (CWS-CARES), (hereafter called the “Project”). This Plan covers the set of activities that begin after Federal approval and the intent to award a contract is issued, through contract close out, and includes how CWDS will monitor and assess Contractors’ performance to maximize value, both financial and operational, while minimizing risk.

2.1 Purpose

The purpose of contract management is to ensure that Contractors adhere to the terms and conditions of their contracts and provide the required services and/or products that meet CWDS’ expectations. The purpose of this Plan is to provide management, staff, and stakeholders with an approved working guide for how CWDS manages contracts, and the necessary tools and strategies to monitor contract compliance and Contractor performance.

2.2 Scope

This Plan covers CWDS contracts entered into between the Office of Systems Integration (OSI) and third parties. The Plan does not cover contracts to procure office supplies or other consumables, Interagency Agreements, or service requests through the California Department of Technology (CDT). Any Interagency Agreements between the OSI and the California Department of Social Services (CDSS) will be managed in accordance with the terms specified in the Interagency Agreements.

This Plan describes the roles and responsibilities, contract management approach, standards, controls, and best practices beginning upon issuance of the intent to award through contract close-out.

Due to the size and complexity of certain contracts, some processes deviate from those documented in this plan and are communicated in the applicable contract.

2.3 Document Review

The Procurement and Contract Management (PCM) team reviews the Plan annually and updates, as needed. The Plan may also be reviewed and updated between cycles, as needed, to keep current with the Project’s business needs.

As such, this Plan will be updated as new information is discovered or after applying lessons learned as a result of continued process improvement efforts. This document contains a revision history log. When changes occur, the version number will be

updated to the next increment and the date, owner making the change, and change description will be recorded in the revision history log of the document.

2.4 References

The CDT Statewide Technology Procurement (STP) conducts the State's procurement of information technology (IT) goods and services for all projects that fall within the "Reportable IT Project" category for procurements above a department's delegated cost threshold, which is \$1 million for OSI. The OSI Purchasing Authority letter is attached as Appendix A.

The Department of General Services (DGS) publishes the State Contracting Manual. Volume 3 (Vol. 3) Chapter 11 ([https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/State-Contracting-Manual-Volume-2-3-FI\\$Cal](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/State-Contracting-Manual-Volume-2-3-FI$Cal)) to serves as a resource on how to manage IT goods and services contracts. The State Contracting Manual provides the statutes, regulations, policies, procedures, methods, and best practices to effectively procure and manage IT goods and services contracts. Additional references used to manage contracts include:

- Terms and conditions of the contract
- State Administrative Manual (SAM), Section 3504
- California Prompt Payment Act (California Government Code section 927, et seq.)
- Federal regulations

Although these referenced statutes and policies provide the broad rules governing contract management, it is incumbent upon CWDS to ensure compliance. Failure to perform effective contract oversight may result in Contractor performance issues, misuse of public funds, or project failure. Therefore, adherence to this Plan and an understanding of all applicable rules is critical to performing effective contract management.

2.5 Integration with Other Plans

The Plan is a touchpoint for a variety of project management plans. Each plan may have outputs that can potentially impact CWDS contracts. The CWS-CARES project management plans listed below integrate with the Plan in terms of contract decision making, processes, and procedures.

- CWS-CARES Master Project Management Plan
- CWDS Quality Management Plan
- CWDS Change Management Plan
- CWDS Decision Making Framework
- CWDS Document Management Plan
- Risk and Issue Management Plan
- Procurement Management Plan
- Release Management Plan

3 CWDS CONTRACTS

3.1 Contract Definition

Prior to services being performed by a Contractor, it is necessary to have a valid, binding contract. A contract is an agreement between two or more parties and is enforceable by law. It sets forth the terms and conditions agreed to by the parties, as well as a statement of all the work to be performed.

Effective contract management is necessary to ensure adherence to the contract. Contract management is a discipline that will continuously be refined as CWDS matures and lessons learned are applied.

3.2 Contract Structure

CWDS manages several service contracts that have different structures based on business needs and the scope of the contract. The two primary structures are time and materials (T&M) contracts and deliverables-based contracts. Contracts may also be structured to include both deliverables and T&M services.

3.2.1 Time and Materials Contracts

In a T&M contract, the Contractor is paid based on the time spent performing the work defined in the contract. The scope of work may be described generally (e.g., advise on fit of requirements to subsystem module design) or specifically (e.g., provide coding services at the direction of the State Project Manager). A group of hours may also be set-aside for ad hoc work. The Contractor's proposal may allocate hours to different activities, but once the contract is executed, the State will closely manage the hours as a whole, to ensure the reallocation of hours are appropriate. T&M contracts may include a Contract Management Instrument, which is the documentation method by which work to be completed during a specified time frame is defined and measured (e.g., Work Order Authorizations [WOA]). Please reference Appendix B, Mock WOA.

3.2.2 Deliverables-Based Contracts

In a deliverables based contract, the Contractor is paid for the work product as defined in the contract. The key feature of deliverables-based contracts is that the deliverables are defined, and the cost is pre-established at a fixed price. In a deliverables-based contract, each activity is defined as a unit of work. These units may be provided one-time or repeatedly throughout the contract period. Deliverables are invoiced for the fixed dollar value, or a set increment of the fixed amount if a repeatable payable deliverable is required.

4 CONTRACT MANAGEMENT FRAMEWORK

The Contract Management Framework at CWDS is a multi-disciplinary process which encompasses technical, business, and legal perspectives. This framework consists of the Contract Management Competencies, Table 1, and associated roles within CWDS. This framework is critical to ensure contract management best practices are effectively executed and consistently applied in accordance with contract provisions. This framework does not capture every tactical action that will need to be completed for successful contract management. It does, however, set forth the higher-level requirements and activities which define the overall process to execute contract management and achieve the intended results.

Table 1 - Contract Management Competencies

COMPETENCY	DESCRIPTION
Contract Administration	Oversight required to ensure that the State and the Contractor are adhering to their contractual obligations
Relationship Management	Establishing and maintaining effective communication between the parties of the contract
Performance Management	Measuring and tracking key performance data and using this data to evaluate overall performance
Quality Management	The process of managing the quality of products and services delivered to a customer according to their expectations
Multi-Contract Management	Developing and maintaining cross-service provider standards and driving service integration collaboration
Dispute Management	A process to ensure timely resolution of a dispute and avoid impacts to the Project
Change Management	The process of managing all actions, inactions, or planned actions inconsistent with the contract terms
Subcontractor Management	The process of holding the Contractor responsible for its subcontractors and ensuring that subcontracted work aligns with the provisions of the contract and other state rules and policies concerning subcontracting
Knowledge Transfer	The process of transferring knowledge from Contractor to State staff. Knowledge transfer Should occur over the life of the contract
Termination	The premature ending of a contract
Contract Closeout	Tasks required to change the contract status from active to complete; should begin 90-days prior to end date
Transition Planning	Plan that outlines how CWDS will manage the effective closeout of a current Contractor and start of the incoming Contractor and/or the new contract
Risk Management	The process of actively managing and mitigating risks

The CWDS Contract Management Framework requires the collaboration of several critical partners. There are three primary roles described below and depicted in the

Contract Management Framework, Key Roles (Figure 1) that work together to oversee and administer the implementation of the framework.

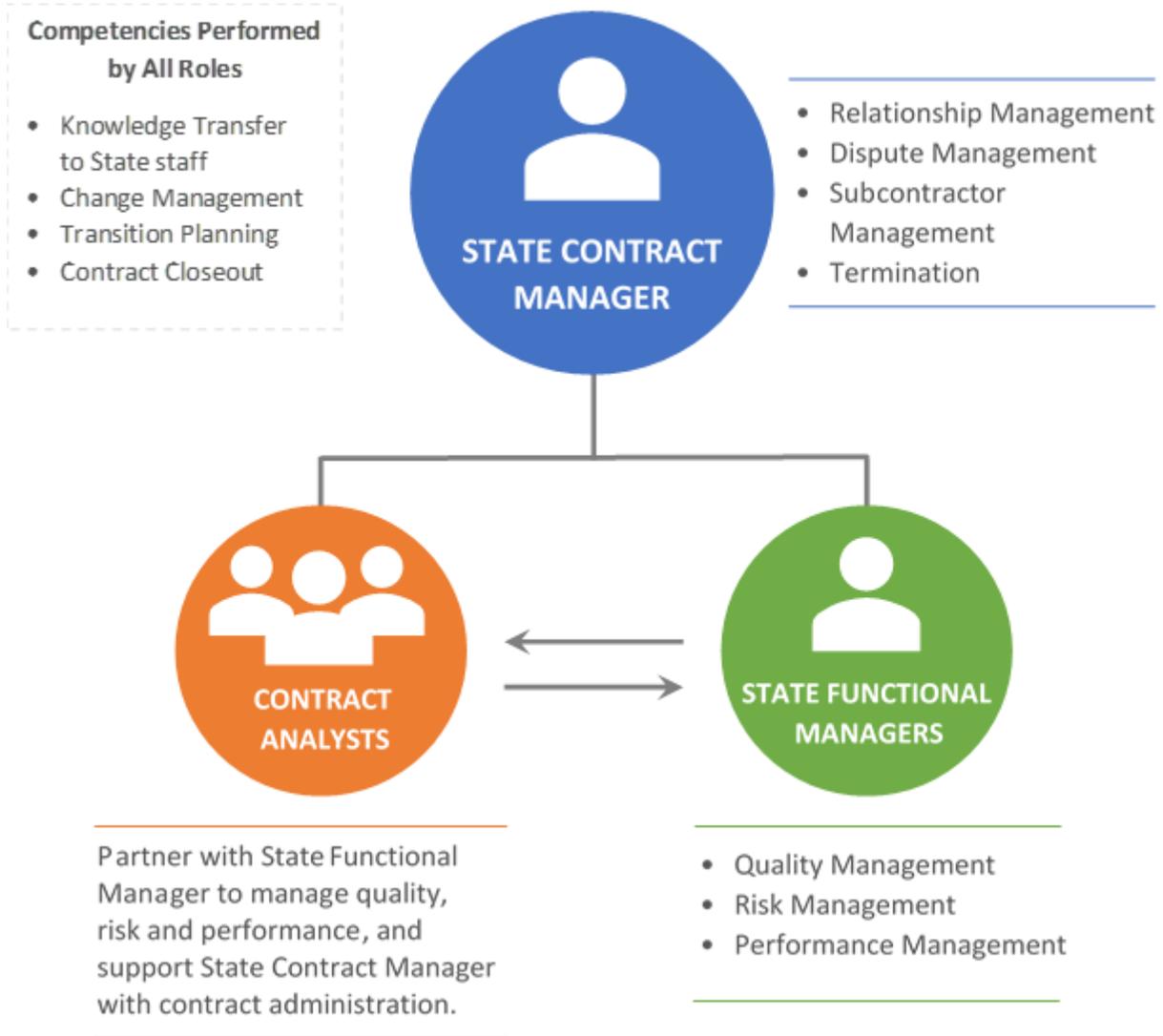
- State Contract Manager - the CWDS Procurement and Contract Management (PCM) Chief
- State Functional Manager (SFM) - the CWDS State Manager of the functional area where contracted staff perform services
- Contract Analyst - the State staff from the CWDS PCM unit

The State Contract Manager is accountable for ensuring compliance with State contracting requirements, consistency and continuity of the contract management process, and conformity to applicable processes, policies, standards, rules, and regulations. This role serves as the Point of Contact (POC) to the Contractor Engagement Manager, OSI Legal, and OSI Acquisitions and Contracting Services Division (ACSD).

The SFM is responsible for the day-to-day direction, approval of contract staff activities, and acceptance of deliverables. The SFM works closely with contracted staff throughout the duration of the contract, and therefore is best able to monitor performance, risk, and quality. The SFM also plays a key role in change management and dispute management, if needed.

The Contract Analyst partners with the SFM to ensure services are performed according to the quality, quantity, objectives, timeframes, and manner specified within the contract. The partnership between the Contract Analyst and the SFM begins upon issuance of the intent to award the contract and continues throughout the life of the contract. While the SFM is responsible for the day to day direction, approval of contract staff activities, and acceptance of deliverables, it is the responsibility of the Contract Analyst to ensure all contract management processes are adhered to as defined in the Plan. A detailed definition of the State Contract Manager, SFM, and Contract Analyst roles and responsibilities can be found in Figure 1, below.

Figure 1 - Contract Management Framework, Key Roles



4.1 Roles and Responsibilities

Table 2 identifies the Primary Roles and Responsibilities of all resources who participate in the CWDS contract management processes. Note that one person may fulfill more than one role. The RACI Matrix, Table 3, identifies which project roles are Responsible, Accountable, Consulted, and Informed (RACI) for each of the contract management competency areas.

Table 2 - Primary Roles and Responsibilities

ROLE	RESPONSIBILITIES
CWDS Sponsor	<ul style="list-style-type: none"> Participate in all aspects of contract management as defined in the Inter-Agency Agreement, as required Facilitate federal approval of contracts and amendments, where required
California Department of Technology (CDT), Statewide Technology Procurement (STP)	<ul style="list-style-type: none"> Issue intent to award and conduct any necessary contract execution activities for procurements outside OSI's delegated purchasing authority Lead negotiations and dispute resolution on contracts for which they provide oversight Coordinate CDT Legal participation, if needed
OSI Chief Deputy Director	<ul style="list-style-type: none"> Approve and execute contracts and contract amendments on behalf of the OSI
OSI Acquisitions and Contracting Services Division (ACSD)	<ul style="list-style-type: none"> Issue intent to award and any necessary contract execution activities for procurements within OSI's delegated purchasing authority Participate in negotiations Draft contracts and route for approval and execution Prepare and issue purchase orders and coordinate the encumbrance of funds for the contract Develop and manage approvals of contract documentation Distribute copies of executed contracts STD 213, STD 215, STD 65, amendments, Contractor insurance documents, and Non-Competitive Bids (NCBs) to the appropriate parties Facilitate execution of contracts and amendments
CWDS Approving Director (Director) <ul style="list-style-type: none"> Deputy Director Product Director Administration Director 	<ul style="list-style-type: none"> Approve Contract Request Form for contracts and amendments Provide final acceptance/rejection of addition, deletion, or substitution of staff Negotiate, review, and provide final approval or denial of Work Order Authorization (WOA), if applicable Provide final acceptance/rejection of WOA deliverables/contract deliverables. Where appropriate, the Director will delegate this authority to a designee Resolve escalated contractual disputes, if necessary Approve or deny invoices as required Review and approve the Contract Management Plan
State Contract Manager	<ul style="list-style-type: none"> Maintain overall contract oversight Provide direction to PCM Supervisor and Contract Analysts as required

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> • Ensure consistency and continuity of the contract management process and conformity to applicable processes, policies, standards, rules, and regulations • Ensure Contractor performs in accordance with the contract terms and conditions • Act as point of escalation for PCM Supervisor, Contract Analysts, and State Functional Managers • Provide direction on what information should be managed in Contract Management tool • Ensure State’s timely acceptance or rejection of deliverables • Manage and monitor contract funds to ensure sufficient funds are available in the correct fiscal year for the work to be performed • Communicate with Engagement Manager regarding any invoice issues • Meet regularly with State Functional Manager and Contractor to discuss issues, concerns, and progress • Ensure Contractor performance meets acceptability standards and inform Contractor of concerns • Facilitate the dispute process • Maintain contract management documentation • Review contracts and amendments
<p>CWDS Procurement and Contracts Management (PCM) Supervisor</p>	<ul style="list-style-type: none"> • Manage Contract Analysts’ assignments and workload • Review for understanding all contract-related documentation as primary backup for State Contract Manager • Provide direction and assistance to Contract Analysts • Ensure Contractor performs in accordance with the contract terms and conditions • Oversee and coordinate with ACSD on all contract execution activities
<p>State Functional Manager (SFM)</p>	<ul style="list-style-type: none"> • Partner with Contract Analyst to perform all contract management activities • Review all contract-related documentation upon contract execution • Communicate with PCM Unit regarding any Project changes that impact contracts or deliverable review process • Meet regularly with Engagement Manager to ensure continuity of deliverables and address any issues or concerns • Ensure Contractor performs onboarding activities in accordance with the contract terms and conditions • Interview proposed Contractor staff for addition or substitution and make recommendation to Director and PCM Unit • Negotiate hourly rate for added or substituted Contractor staff • Negotiate, review, and provide primary approval or denial of WOA, if applicable • Approve or deny excess hours request with the Contract Analyst • Approve or deny travel requests in accordance with contract, if applicable • Review accuracy of hours and work performed on Contractor timesheets • Approve or deny deliverables and invoices within established timeframes • Ensure Contractor performs tasks and deliverables in accordance with contract • Ensure timeliness and quality of Contractor deliverables • Partner with Contract Analyst to develop the performance management report and updates as needed • Ensure Contractor performs closeout and offboarding activities in accordance with the contract terms and conditions

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> • Resolve disputes or escalate to State Contract Manager • Escalate performance issues/concerns to the State Contract Manager for resolution • Reprioritize and/or modify deliverables and WOA as daily work requires and under special circumstances • Approve or deny temporary or occasional remote work • Schedule outside normal business working hours or shift as required by the project • Participate in the dispute process, as required
Contract Analyst	<ul style="list-style-type: none"> • Partner with SFM to perform all contract management activities • Ensure consistency and continuity of the contract management process, and conformity to applicable processes, policies, standards, rules, and regulations • Receive, review, and retain all contract-related documentation • Update and maintain the contract management tool with all new contract information (e.g., term information, encumbrance, and contract staff) to meet the Project’s needs and reporting requirements • Process onboarding and offboarding paperwork and act as liaison between the Contractor and State in facilitating this process • Facilitate the LiveScan process and act as liaison between the Contractor and CDSS • Review invoices for conformance to contract requirements, including compliance with applicable processes, policies, standards, rules, and regulations identified by the State and incorporated by reference in the contract • Ensure all goods and/or services have been accepted by the State in accordance with the contract terms and conditions at contract closeout • Track and monitor contract funds to ensure sufficient funds are available • Produce contract burndown reports and provide to management • Perform initial review of deliverables for contract compliance and recommend approval or denial to State Functional Manager • Develop and route Contract Request Forms (CRFs) and send completed CRFs to ACSD to ensure amendments are executed in a timely manner • Facilitate and coordinate with designated deliverable approver for timely and successful completion of the deliverable review process • Partner with State Functional Manager to develop the performance management report and updates as needed • Maintain and manage deliverable documentation within the document management system • Ensure all deliverables due during the contract period are accepted by due dates
CWDS Fiscal Manager	<ul style="list-style-type: none"> • Validate project budget for all contract-related matters • Manage issues regarding Fiscal Year (FY) encumbrances for any contract amendments or previous FY rollover • Approve or deny amendment CRFs
Fiscal/Budget Analyst	<ul style="list-style-type: none"> • Facilitate invoice review and approval/rejection of invoices
Engagement Manager (Contractor)	<ul style="list-style-type: none"> • Ensure Contractor performance in accordance with contract requirements • Act as Contractor point of contact with PCM State Contract Manager, PCM Supervisor, and/or Contract Analyst, as appropriate

ROLE	RESPONSIBILITIES
	<ul style="list-style-type: none"> • Request State approval for staff to work over 45-hour cap, per staff, per week • Complete and submit all contractually-required documentation to add, delete, or substitute a Contractor staff • Submit invoices in accordance with the requirements identified in the contract • Communicate contract disputes to State Contract Manager
OSI Accounting Office	<ul style="list-style-type: none"> • Process invoices for payment • Coordinate Contractor payment with the State Controller’s Office (SCO) or the DGS • Disencumber any remaining contract dollars after Final Invoice has been paid • Notify Contractors regarding invoice rejections
OSI Legal	<ul style="list-style-type: none"> • Review contracts, amendments, and related documents, as required • Provide legal advice to OSI staff, as required • Coordinate with CDSS Legal consistent with the Interagency Agreements
California Department of Social Services (CDSS) Legal	<ul style="list-style-type: none"> • Review contracts and related documents, as appropriate • Provide legal advice to CDSS staff, as required • Coordinate with OSI Legal consistent with the Interagency Agreements
Administration on Children, Youth and Families (ACYF)	<ul style="list-style-type: none"> • Review and approve contracts and amendments, as required
Contractor	<ul style="list-style-type: none"> • Perform in accordance with contract requirements
Contractor Staff	<ul style="list-style-type: none"> • Deliver services/deliverables and perform in accordance with contract terms and conditions • Report time in accordance with contract terms • Complete Form 700 as required • Complete LiveScan as required • Complete consolidated Contractor policy acknowledgement form • Complete any other paperwork/tasks as required by the contract
CDSS Special Projects Unit	<ul style="list-style-type: none"> • Communicate LiveScan results to the PCM Unit
County	<ul style="list-style-type: none"> • Participate in county consultant contract/amendment review and approval • Provide budget information • Provide contact information for potential county consultants
County Consultant Executive Liaison	<ul style="list-style-type: none"> • Participate in contract disputes involving the county, as necessary
County Welfare Directors Association (CWDA)	<ul style="list-style-type: none"> • Coordinate CWDA contract amendment review and approval through the CWDA process

4.2 RACI Matrix

Due to the complexity of contract management at CWDS, a RACI Matrix, Table 3, is used to clarify roles and responsibilities of the cross functional/departmental decisions and processes.

RACI Matrix Legend:

Responsible: Those who work to achieve the task. There can be multiple roles who are responsible, but there must be at least one **R**.

Accountable: The individual ultimately answerable for the correct and thorough completion of the task. Only one **A** must be specified for each task.

Consulted: Those who are consulted, and opinions are sought (two-way communication). They are involved through input of knowledge and information.

Informed: Those who are kept up-to-date on progress (one-way communication).

Table 3 - RACI Matrix

ROLE	CONTRACT MANAGEMENT COMPETENCY												
	CONTRACT ADMINISTRATION	RELATIONSHIP MANAGEMENT	PERFORMANCE MANAGEMENT	QUALITY MANAGEMENT	MULTI-CONTRACT MANAGEMENT	DISPUTE MANAGEMENT	CHANGE MANAGEMENT	SUBCONTRACTOR MANAGEMENT	KNOWLEDGE TRANSFER	TRANSITION PLANNING	TERMINATION	CONTRACT CLOSEOUT	RISK MANAGEMENT
CWDS Sponsor (CDSS)	I						I			I	I	I	C
California Department of Technology (CDT), Statewide Technology Procurement (STP) Analyst	I										C		
OSI Chief Deputy Director	I			I			I			I	I		
OSI Acquisitions and Contracting	C					C	R				R	C	C

ROLE	CONTRACT MANAGEMENT COMPETENCY												
	CONTRACT ADMINISTRATION	RELATIONSHIP MANAGEMENT	PERFORMANCE MANAGEMENT	QUALITY MANAGEMENT	MULTI-CONTRACT MANAGEMENT	DISPUTE MANAGEMENT	CHANGE MANAGEMENT	SUBCONTRACTOR MANAGEMENT	KNOWLEDGE TRANSFER	TRANSITION PLANNING	TERMINATION	CONTRACT CLOSEOUT	RISK MANAGEMENT
Services Division (ACSD)													
CWDS Approving Director (Director)		C	C	C		C	C		C	C	C	I	C
State Contract Manager	A	A	A	A	A	A	A	A	A	A	A	A	A
CWDS PCM Supervisor	C	R	C	C	C	C	C	C	C	R	C	C	C
State Functional Manager	C	R	R	R	R	R	R	R	R	R	C	R	R
Contract Analyst	R	R	C	C	C	C	R	R	R	R	R	R	R
CWDS Fiscal	R						C				I	R	
Contractor Engagement Manager	R	R	R	R	C	R	R	R	R	R	R	R	R
OSI Accounting Office	R						I				I	I	
OSI Legal	C					C	C				C	C	C
California Department of Social Services (CDSS) Legal	I					I	I			I	I		
Administration on Children, Youth and Families (ACYF)	I									I	I		
County Consultant Executive Liaison	R	R		R		R	R		R		R	R	R
County Welfare Directors Association (CWDA) Liaison	R	R	R	R		R	R		R		R	R	R

5 CONTRACT ADMINISTRATION

The contract administration function provides the oversight required to ensure that both parties (the State and the Contractor) are adhering to their contractual obligations.

At the end of the procurement process, ACSD copies the Contract Analyst on the email notifying the vendor of intent to award. The email also requests that the vendor provide a certificate(s) of insurance and required endorsements, Contractor staff non-OSI email addresses, and other documentation required to award the contract. Contract administration responsibilities are initiated at this time, and the Contract Analyst begins communication with the SFM and the Contractor. Once the contract is fully executed, ACSD will provide the Contract Analyst a copy of the executed contract, copies of the solicitation response, and a copy of the Contract Manager Memorandum (Appendix C) that outlines the management responsibilities for the life of the contract. The Contract Analyst coordinates with the SFM and the Contractor to determine a date to commence contract activities. Prior to any Contractor staff beginning work at CWDS, an onboarding process is required, which includes the following:

- LiveScan background check
 - Contractors may begin work on the project prior to clearance; however, Contractors must receive clearance prior to working with confidential data.
- Conflict of Interest Compliance (Statement of Economic Interests, Form 700)
 - Within the first 30 days of assuming office or within 30 days of leaving the Project, and on an annual basis, designated contracted staff must disclose financial interests via a Statement of Economic Interests, Form 700. The decision on whether a Form 700 is required is determined by legal review. Legal takes into consideration the scope and length of services and level of autonomy of the position.
 - Submission of a Form 700 ensures that the Contractor and its assigned Contractor staff understand conflict of interest laws and the individual's ethical responsibilities. The Project reviews and approves Form 700s to ensure there are no potential financial conflicts.
 - The Contract Analyst will monitor the submission of the Form 700 via Netfile, the OSI portal for electronically submitting these forms.
- Ethics Orientation
 - Contractor staff members who are Form 700 filers must complete ethics training within 60 days of commencing work, and every two (2) years thereafter. The Contract Analyst tracks completion of certificates at the end of the training.
- Privacy and Security Awareness Training
 - Contractor staff who are authorized to use State government-owned equipment or facilities must complete the Privacy and Security Awareness Training within 60 days of commencing work, and annually thereafter. Upon completion, contractor staff will sign an acknowledgement form indicating that they completed the training and submit them to the Contract Analyst.

Once a start date for the Contractor staff is determined, the Contract Analyst coordinates the remaining onboarding activities with the SFM (e.g., seating, user access rights, and equipment). Please reference the Onboarding Contractor Staff Checklist, Appendix D.

Upon Contractor staff arrival, expectations are discussed, including but not limited to: working hours, work location, meeting attendance, as well as products and services to be delivered according to the contract Statement of Work (SOW). After the orientation, the SFM assumes the day-to-day responsibilities of providing direction and oversight to the Contractor staff.

5.1 Contract Management Instruments

The Contract Management Instrument is the documentation method by which a contract is managed, depending on the contract structure, and must align with the business needs and the scope of the contract.

5.1.1 Work Order Authorizations

The Work Order Authorization (WOA) is a Contract Management Instrument that is used to describe specific services and/or work products, based on the tasks defined in the contract, to be delivered by the Contractor within a mutually agreed time frame and cost. Work must be performed in accordance with the WOA, and the Contractors are accountable for the defined deliverables with considerable payment implications if not accepted by the State.

The SFM, appropriate Subject Matter Experts (SMEs), and the Contract Analyst work with the Contractor to finalize the WOA, and it may only be amended in writing, signed by both parties. The WOA defines a specific, measurable, and actionable workload that the Contractor will undertake within a defined time frame, as well as the acceptance criteria for completion of the work described. The Project uses the WOA as a performance management and assessment tool to hold the Contractor accountable for the completeness and quality of work. While the Contractor continues to bill monthly, a payment withhold is applied, which is tied to the successful completion of the work defined in the WOA. Please reference Appendix B, Mock WOA.

If the Project determines that any acceptance criteria for a WOA are not satisfied, CWDS informs the Contractor in writing of the specific acceptance criterion that was not satisfied and provides the Contractor with a timeframe to correct the deficiencies. Costs incurred by the Contractor in connection with responding to and/or correcting deficiencies to meet WOA acceptance criteria will not be paid by CWDS. If the acceptance criteria are still not satisfied, as determined by CWDS, within the period provided to correct the deficiencies, the Contractor permanently forfeits the payment withhold to CWDS.

5.1.2 Work Orders

The Work Order (WO) is a Contract Management Instrument used specifically for the CWS/CMS contract with the single system integrator, IBM. This process requires not only management of the vendor, but management of the CWS/CMS infrastructure as well. Therefore, it is imperative that this work is managed closely by CWDS to ensure that planning is in alignment with the California Department of Technology System Change Requests process. The work is also coordinated and tracked in Jira with a user story.

The WO specifies changes in work requirements for CWS/CMS (Reference Appendix E, Sample Work Order Cover Letter and WO) by describing the scope of work, schedule, tasks, and costs associated with the maintenance and operations of the system. The SFM collaborates with the Contractor to develop the WO. Prior to the beginning of work, each WO must be signed by the SFM, and consists of the following:

- A statement of the purpose, objective, or goal to be performed by the Contractor
- A full work description
- The job classification or approximate skill level of the staff to be made available by the Contractor
- An identification of all deliverables to be developed by the Contractor and delivered to the State
- An identification of all significant materials to be delivered by the State to Contractor
- A schedule for the provision of identified deliverables or services by Contractor
- Acceptance criteria for the work to be performed
- The name or identification of Contractor staff to be assigned
- Contractor's work hours required to accomplish the purpose, objective, or goal
- Contractor's estimated total cost of the WO

5.1.3 Task Accomplishment Plans and Updates

Another Contract Management Instrument is a Task Accomplishment Plan (TAP), which is typically required in the SOW. TAPs are often used for contracts with individual resources as a contract management mechanism for the scope and cost of the agreement lifecycle. The TAP documents the Contractor's plan for accomplishing the tasks identified in the SOW. It also outlines the spending plan, which includes the monthly estimated hours and planned monthly expenditures for the life of the contract. The TAP provides a baseline of estimated costs and is used to measure against actual expenditures. The TAP is updated and submitted for project review and approval each time there is a change to the cost or spending plan.

Monthly Status Reports (MSR) are submitted by the Contractor to CWDS. The MSR is used by the Contract Analyst and SFM to monitor progress of the tasks outlined in the TAP. The SFM, Contract Analyst, and Contractor work together to amend the TAP in the event that there is a change to the scope and cost of the original TAP. Please reference Appendices F and G, Sample TAP and Sample MSR.

5.2 Contract Management Tool

To ensure thorough contract management, it is essential to have a tracking mechanism that captures critical data points of each contract. A Contract Management Tool was developed in Microsoft Excel to track all pertinent contract information, and the Contract Analysts are responsible for maintaining all contract records in the tool. This tool serves as the centralized location for contract information, and it is located on the CWDS SharePoint site for collaboration purposes.

Reports are generated from the Contract Management Tool as a subset of relevant information for different audiences. For instance, a report is sent weekly to the Project Administration Director, OSI Legal, and OSI Acquisition and Contracting Services Division to ensure tasks and dependencies are tightly coordinated. A report is distributed bi-weekly to executive leadership for informational purposes, and an analysis is provided if a decision is required for action. The CWDS Project Management Office and CDT oversight teams receive monthly reports for inclusion in their respective reports.

The Contract Analysts update the tool daily, as appropriate, to ensure data is current and accurate. Table 4 below, outlines the data fields that are collected in the Contract Management Tool.

Table 4 - Contract Management Tool Data Collection Points

1. Agreement Number	2. Total Contract Expenditures	3. Date LiveScan Cleared	4. Date of Email of Add/Delete/Sub sent to Contract Engagement Manager
5. Number of Options	6. Total Funds Remaining	7. Annual Security Form Completion	8. Date of Email of Add/Delete/Sub Packet sent to ACSD
9. Contractor Name	10. Contact Information for Contract Rep	11. Contractor Staff Additions	12. Running Tally of FY Expenditures
13. Scope of Services	14. All Contractor Staff (current and past)	15. Contractor Staff Substitutions	16. Total Expenditures to Date
17. Contract Effective Date	18. Contractor Staff Role	19. Contractor Staff Deletions	20. All Deliverables
21. Contract End Date	22. Contractor Staff Rate	23. Minimum Qualifications Met(Y/N)	24. Current Status of Deliverables
25. Total Contract Encumbrance	26. Contractor Staff External Email	27. State Approval or Denial of Add/Delete/Sub	28. Date Deliverable Submitted
29. Renewal Trigger Date	30. Date Sent to LiveScan	31. Date of State Approval or Denial of	32. Date Deliverable

		Add/Delete/Sub	Review Started
33. Date Deliverable Accepted or Rejected	34. Current Reviewer/Role	35. Amount of Time in Review	36. Assigned Analyst
37. Contract SFM	38. Contract Engagement Manager and Contact Information	39. Insurance Certifications (Active/Expiring)	40. Form 700 Filings
41. Ethics Training	42. Contractor Hours in Excess of Allowable Cap		

5.3 Deliverable Management

This section outlines how deliverables are generally managed in accordance with the contract structures at CWDS. Additional deliverables requirements may be outlined in the contract or Contract Management Instrument, and the process contained in this Plan does not supersede this. A deliverable is an artifact that a Contractor produces in accordance with its contractual obligations. The content requirements for each deliverable is specified in the SOW and/or Contract Management Instrument (e.g., WOA, WO, or TAP). Acceptance criteria is defined for each deliverable to ensure common understanding between the Contractor and CWDS regarding quality and content requirements. Examples of acceptance criteria for a deliverable are “Code meets Definition of Done” and “State Product Owner Acceptance is achieved.”

Deliverable review and approval are necessary to ensure that CWDS accepts only deliverables that meet contract requirements and that Contractors are paid only for accepted deliverables. The Contract Analyst ensures that deliverables are processed in a specified time period, within budget and within scope. The Contract Analyst is also responsible for the execution of the deliverable management process and collaborates with the SFM to determine whether contract deliverables are successfully delivered. The SFM is ultimately responsible for review, approval, and quality assessment of the deliverable.

The deliverable management process consists of planning, receipt, processing, review, and acceptance of each deliverable. The deliverable management process serves to:

- Ensure the Project and the Contractor clearly define and agree upon the criteria for successful acceptance of project deliverables
- Determine and abide by deliverable due dates, review times, and correction periods, if required
- Determine and assign individuals to successfully complete deliverable review within the deliverable review timeframes
- Validate that deliverables meet all contractual requirements as defined within the SOW and/or Contract Management Instrument (e.g., WOA)
- Document all reviews and outcomes within the document management system

5.3.1 Deliverable Planning

Deliverables are outlined in the SOW and/or Contract Management Instrument. Deliverables specified in a Contract Management Instrument must align with the overall scope of the contract. The Contract Analyst collaborates with the SFM to ensure that deliverables are clearly defined before work begins. The Contract Analyst and SFM will follow the established process for the review and approval of each deliverable upon Contractor submission.

Any changes made to the review time frame or deliverable due dates, where allowed by the terms of the contract, must be negotiated between the Project (SCM, SFM, Contract Analyst) and the Contractor, and approved as required.

5.3.2 Deliverable Submission

The Contractor must ensure each deliverable submitted to the Project for review contains all the content specified in the contract and/or Contract Management Instrument. The SFM must ensure that the Contractor produces all deliverables identified in the contract in accordance with specified due dates. Failure to meet the due dates may constitute a breach of the contract.

5.3.3 Deliverable Processing and Administrative Review

Upon deliverable submission, the Contract Analyst performs an administrative review to ensure that the deliverable is complete and aligns with the contract requirements and/or Contract Management Instrument. The Contract Analyst may return a deliverable to a Contractor for resubmission if deficiencies are identified during the Contract Analyst's review.

Following administrative review and approval, the Contract Analyst routes the deliverable, via email, to the responsible SFM. For CWS/CMS, the Contract Analyst uploads all deliverable documentation within the document management system for routing and approval.

5.3.4 Deliverable Review, Routing, and Rejection/Approval

All Contractors and the State must adhere to specific deliverable processing requirements set forth in their respective contracts or Contract Management Instruments. It is the Project's sole determination as to whether a deliverable has been successfully completed and is consistent with the acceptance criteria. The SFM reviews the deliverable and recommends rejection or acceptance within the review time frame. The SFM may request input from SMEs or other project teams as needed. The deliverable review process ensures that each deliverable submitted contains all the content specified in the contract and/or Contract Management Instrument and meets any specified acceptance criteria.

5.3.5 Deliverable Acceptance

The Contract Analyst provides notice of acceptance of the deliverable to the Contractor via email and/or as outlined in the contract. The Contract Analyst updates the Contract Management Tool and uploads all documentation and the acceptance in the document management system. The Contractor may not change a deliverable that has been accepted without prior written approval from the State.

5.4 Invoice Management

Invoice management is an important component of effective contract management. Prior to payment, the Contact Analyst ensures that the invoices meet contractual requirements, the deliverables and/or services being billed have been accepted by the State, and that the invoiced expenditures are within scope and cost of the contract.

Invoices are paid in accordance with the specific provisions of each contract. The State has a 45-calendar-day period to pay Contractors' invoices or face non-compliance with the Prompt Payment Act (GC Section 927 et seq.). Failure of the State to pay any undisputed invoice within 45 calendar days of receipt may result in financial penalties as described in GC 927.6 and GC 927.7.

The 45-calendar-day period begins with acknowledgment of an invoice submitted to the OSI Accounting Office and ends with the State Controller's Office (SCO) submitting payment to the Contractor. Upon receipt of the invoice, the OSI Accounting Office sends it to the Project for review and approval. CWDS has approximately five (5) business days to approve or reject the invoice and return it to the OSI Accounting Office. If approved, the invoice is routed to DGS for processing. Once processed, DGS sends the invoice to the SCO for payment. For contracts that are subject to a payment withhold by the terms of the contract, the payment withhold needs to be reflected in the invoice. The Project will release any payment withhold consistent with the terms of the contract.

5.4.1 Contractor Invoice Management

All Contractors must adhere to the specific invoice requirements set forth in their respective contracts.

5.4.2 Five Business Day Project Review Period

The five-day review period at CWDS consists of approvals by the Contract Analyst, SFM, and CWDS Budget Manager. The overall process and activities consist of the following within the review period:

- The CWDS Fiscal Analyst receives, logs, and disseminates the invoice for the Contract Analyst's review. The invoice is accompanied by a fiscal summary of the contract expenditures and remaining funds.
- The Contract Analyst reviews the invoice to ensure or verify the following:

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- Contract compliance and accuracy.
 - All services/deliverables/WOAs due during that period have been accepted. For contracts that include a TAP, the invoice will be compared to the latest approved TAP for conformance. For contracts that are for fixed-price deliverables, the invoices are tracked according to the fixed price for the delivered items. Approved deliverables and their fixed price are verified on each invoice.
 - Billed hourly rates are consistent with the contracted and/or negotiated hourly rates.
 - Contractor staff start and end dates are reviewed against invoiced staff time.
 - Invoices from a resource that works under more than one contract at the same time are checked to make sure that the resource has not double billed with respect to the hours worked.
 - Travel expenses are claimed in accordance with the contract, if applicable.
 - The Contract Analyst updates the CWDS Contract Management Tool after invoice validation.
 - The Contract Analyst routes the invoice to the SFM.
 - The SFM routes the invoice to the CWDS Budget Manager for final approval, and the invoice is returned to the Fiscal Analyst for submission to OSI Accounting.

5.4.3 Invoice Rejection

If the invoice is inaccurate and subsequently disputed, the 45-day clock stops when the State Contract Manager notifies the Contractor of the dispute. After the Contractor makes the required corrections, a new invoice can be submitted for payment, and the processing clock is reset.

5.5 Cost Management

The expenditures of each contract are monitored both by the overall contract dollar amount, as well as the total contract encumbrance (by budget fiscal year and fiscal year encumbrance). While it is possible for unused encumbrances to be rolled forward into the next fiscal year, it is not assumed, but rather is dependent on whether the Project budgeted for the encumbrance appropriately. It is the responsibility of the Contract Analyst to monitor contract expenditures against the contract amount, as well as the encumbrance amount. CWDS established Contract Burndown Charts to proactively monitor contract expenditures and projections.

5.5.1 Contract Burn Rates

Contract burn rates are the method by which the Contract Analyst tracks contract expenditures. Burndown Charts were developed to monitor such activity, identify trends, and aid in the Project's ability to project when funds will be exhausted. When a contract invoice is received and processed, the Contract Analyst enters

the invoice amount into the Contract Burn Rate Workbook. Actual monthly invoice amounts are entered into the workbook, and the average monthly cost is used to forecast the burn rate for the remainder of the contract. If cost trending reflects that funds will be exhausted prior to the end of the contract term, the Contract Analyst will communicate this to the State Contract Manager and SFM to mitigate any risks.

5.6 Document Retention

The Project is responsible for maintaining a continuous stream of pertinent documentation throughout the life of the contract. All records shall be maintained in accordance with state policies and applicable records retention schedules.

6 RELATIONSHIP MANAGEMENT

An essential element of successful contract management is establishing and maintaining effective communication between the parties to the contract. Sustaining a productive, two-way professional dialogue between the Project and Contractor during the period of performance is one of the best predictors of contract success.

6.1 Contractor Orientation

An effective Contractor orientation can help mitigate potential issues and problems during contract performance. A comprehensive, pre-performance meeting can set the foundation for good communication between the Project and Contractor. This meeting consists of the Contractor Engagement Manager, the State Contract Manager, the SFM, and the Contract Analyst. In this meeting, the Project provides a detailed walkthrough of the contract and all applicable artifacts, which defines all work to be performed and related terms and conditions. This is also an opportunity to clarify any ambiguous tasks or terms to ensure both parties are at a consensus on expectations. The intent of this meeting is to achieve a clear and mutual understanding of what needs to be done, who will do the work, and when it is due.

6.2 Regular Meetings

Both parties to the contract will have regular face-to-face meetings to discuss progress, identify risks and/or issues, and discuss observations and concerns. The intent of regular meetings is to help facilitate open and honest dialogue concerning contract performance issues. It should be noted that oral commitments are not binding.

7 PERFORMANCE MANAGEMENT

The Project utilizes a performance management approach that includes mitigating performance issues through effective and open communication while also measuring and tracking current performance data. This involves using this data to evaluate performance and predict reliability or performance issues. Contractors' services are integral to project success, and performance management is essential to minimizing project risk. The Project will measure and track performance data based on acceptance criteria metrics. Managing acceptance criteria ensures that either the tangible product or services provided are only accepted under the Project's outlined acceptance criteria, which minimizes project risk. The Project has designed an approach that measures performance and reliability issues through periodic assessments (refer to Appendix H.2). The outcome of the data analysis is openly communicated between the Project and the Contractor.

Through the risk and issue management processes, problems and defects that hamper production implementation or that affect state or county operations are tracked and resolved. The Project expects each contractor to be able to provide root cause analyses of problems with their tasks and deliverables, mitigation activities, an accurate estimate of time required for their correction, and the dedicated resources needed to resolve these deficits. The Contractor will report weekly, or as directed by the Project, to the State Functional Manager and/or Contract Manager, or designee(s) as appropriate, the status of problem resolution related to these deficits.

A corrective action plan will typically include the following, but should be tailored to fit the problem or defect to be corrected:

- The common understanding of the R and R between the State and contractor
- Where the deficiency lies
- Action(s) to be taken to correct the deficiency
- Due dates to complete the action(s)
- The resource(s) assigned to ensure the action is being carried out

7.1 Acceptance Criteria Metrics

The Project has designed metrics to track results and deficiencies for Contractor deliverables (refer to Appendix H.1 and Appendix H.2). The SFM is responsible for ensuring these metrics are developed appropriately based on the scope and duration of the contract and/or the Contract Management Instrument. Acceptance Criteria Metrics are used to measure performance and performance trends, identify whether Contractor deliverables are acceptable based on these metrics, and indicate areas for improvement.

The SFM, in collaboration with the Contract Analyst, will define these Acceptance Criteria Metrics. Examples of metrics the Project may track are included in Table 5 – Performance Management Metrics Examples. The Project will continuously evaluate the metrics being tracked and will modify them as necessary to ensure they are providing the intended value and are sufficient for determining the health of the delivered services.

Table 5 - Performance Management Metrics Examples

METRIC	DESCRIPTION
Code Quality	Developed code is complete, meets acceptance criteria (including accurate and sufficiently detailed documentation), and satisfies the Definition of Done.
Time to Production	The time it takes for a line of code written by a developer to be in production and in use by real users.
Escape Rate	Developed code has no open critical or moderate defects, or defects were not deferred to future release.
Code Covered by Automated Testing	A number of tests that have been automated as a percentage of all automatable test cases.
Burndown	Quantity of work remaining, and the time elapsed since the start of the project-specified timeframe.
Story Point Cycle Time	Average length of time it takes to complete a story point.
Share of Progress	Percentage of story points an individual accomplishes as percentage of entire team.
Conformance to Standards	Identify the standards a deliverable was held accountable to; and identify any areas where the deliverable did not meet these standards.
Consistency of Content within the Deliverable	Identify any areas within a deliverable that have conflicting and/or contradictory information and make recommendations, as appropriate, to resolve the inconsistencies.
Material Deficiencies	Provide a summary of the types and severity of Deficiencies (minor and major) errors found within a specific deliverable and note the impact these errors have on the ability of the document or service to transmit its intended purpose. Review of deficiencies should focus on content issues that have a negative impact on the quality of the deliverable if not addressed.

Fitness for Use	Provide a summary of whether the deliverable satisfies its intended purpose/use.
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7.2 Performance Oversight

In addition to State staff oversight, the Project will also utilize Independent Validation and Verification (IV&V) and system testing services to ensure quality and performance standards are met. The Project will use observations from these resources to identify and correct any vendor performance-related issues.

8 QUALITY MANAGEMENT

The Project is implementing a quality management process that will manage the value of a tangible product or provided service based upon customer expectations (in this case, the State). This process assesses how well a product or service is delivered, based upon defined quality factors, and identifies areas for improvement.

Quality Factors that determine whether the Project meets the State's expectations measure the following:

- Tangible products
- Services provided
- Stakeholder interactions
- Final deliverable and/or service of the contract

The manner in which the SFM measures quality will vary (e.g., Product versus Service delivery). The SFM is responsible for identifying the proper quality factors, criteria, and frequency of evaluation.

The following subsections define the Project's expectations for quality, the internal process and product attributes that indicate whether the quality factors are being satisfied, as well as examples of measures to be used to give visibility to the levels of quality being achieved. Quality is defined in terms of quality factors, criteria, and metrics.

8.1 Quality Requirements

CWDS contracts generally include the CWS-CARES GENERAL PROVISIONS – INFORMATION TECHNOLOGY (General Provisions). Section 16(a) of the General Provisions includes a requirement that the Contractor provide and maintain a quality assurance system acceptable to the State covering deliverables and services (except for commercial hardware or commercial software) under the contract.

The purpose of this section is for the Contractor to explain to the State the Contractor's internal process for reviewing deliverables and services. This includes permitting the State to review the Contractor's procedures, practices, processes, and related documents to determine the acceptability of the Contractor's quality assurance system or other similar business practices related to performance of the contract.

The State may accept, or request the Contractor make changes to, the Contractor's quality assurance system prior to submitting deliverables for State review. As part of the onboarding process, the Contract Analyst and SFM will meet with the Contractor to review the Contractor's quality assurance system and communicate with the Contractor whether the quality assurance system is acceptable, and if not, what changes are needed (reference Appendix H for examples).

Once the Contractor's quality assurance system is deemed acceptable, the Contractor is required to tender only those deliverables to the State that have passed the Contractor's own quality review process and have been determined by the Contractor to meet contractual requirements. In addition, the Contractor is required to produce for State inspection records evidencing the Contractor's inspections and their results.

These records must be available for inspection during the term of the contract plus three years after the final payment is made.

8.2 State's Quality Assurance System

The State will also maintain a quality assurance system that works in parallel with the Contractor's quality assurance system. The State's quality assurance system will consist of a performance scorecard, which measures the Contractor's performance at designated intervals. The results from the performance scorecard can be used as a tool to inform Contractors of overarching issues with the quality of their work, help inform Project decisions on whether optional terms in the contract should be exercised, and complete Contractor evaluations at the end of the contract term.

The State's system provides a repeatable and measurable definition of Quality for the deliverable or service. This definition is stated in terms of general Quality Factors, specific system-oriented Quality Criteria, quantified quality targets, and Quality Metrics.

The SFM is the state representative that will be responsible, working with the Contract Analyst, for setting the contract quality standards and periodic measurements. The identified quality measurements and goals will be specific, measurable, appropriate, realistic, and valuable to the Project. The SFM then communicates whether the Contractor was successful in meeting the quality goals. Meeting or failing to meet the quality goal is a clear indicator as to whether the Contractor is meeting or failing to meet the State's expectations.

Captured within Appendix H are some Quality Criteria examples as well as the initial setup for the project teams' rating tools. The criteria and factors are examples and meant to be a guide which the SFM may use.

The project will use a 100% rating system, like the education grading scale (i.e., A = 90%, B = 80%). The SFM will assign a target percentage for each criterion on an assessment period basis, then rate the vendor accordingly.

As quality is a continuous assessment, the frequency of measurement can vary by contract type and Contractor role. The collection and reporting frequency will be identified and socialized upon commencement of each contract. Some examples of frequency are:

- Calendar – per Weekly, Monthly, Quarterly, or Annually
- Sprint – per defined Sprint
- Contract – per Contract lifecycle

9 MULTI-CONTRACTOR INTEGRATION MANAGEMENT

CWDS utilizes multiple contractors to design, develop, and implement the CWS-CARES. With a multi-Contractor approach, interdependencies exist and require special coordination to ensure all Contractors are in sync. To enable all Contractors to work together, the Project has established integration points, standards, access, and processes, such as:

- Multi-Contractor meetings
- Implementation of Jira to manage the work
- Change Management
- Decision Making Framework
- Escalation process and reporting into the Project's governance structure
- Standardization of Code Development
- Improved communication processes

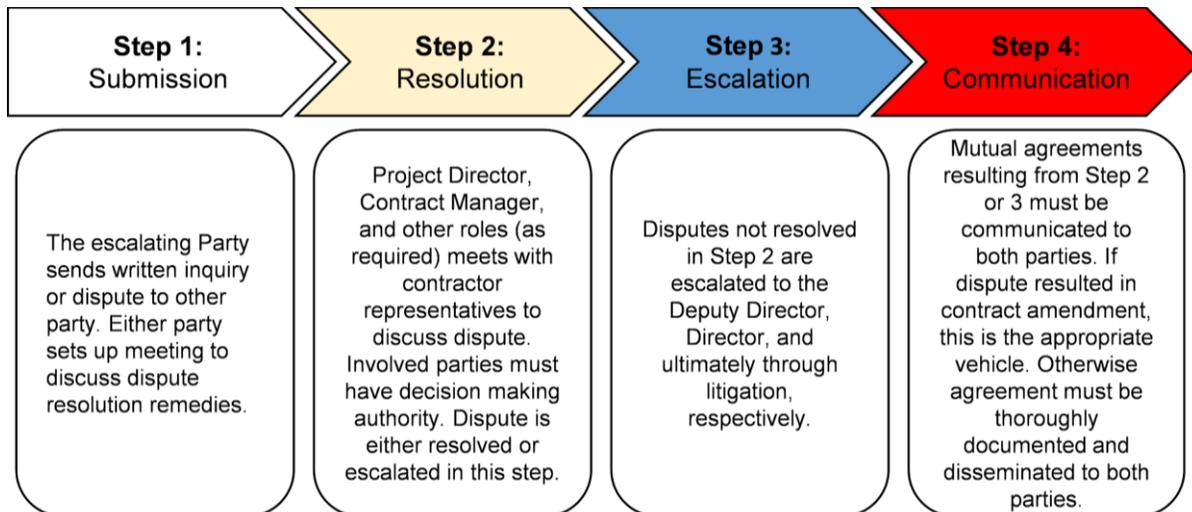
This Plan provides the framework to support this approach by closely managing the Contractors and ensuring expectations are clear and communication is happening across the teams. The Project recognizes the inherent risks associated with this approach and will leverage existing risk mitigation processes, such as:

- Risk and Issue meetings
- Weekly meetings with OSI Legal and ACSD
- Independent Project Oversight Consultant (IPOC) Reports
- IV&V Assessments

10 DISPUTE MANAGEMENT

Issues may arise during performance of the contract that will require an escalation process to resolve them. In the event a dispute occurs, specific contract provisions control; the process outlined in this Plan in no way supersedes the contract. Generally, CWDS contracts contain two contract provisions that should be consulted: 1) a Problem Escalation clause in the statement of work for resolving issues on an informal basis, and 2) the Disputes section of the CARES-GENERAL PROVISIONS establishing a formal process for disputes. As a general rule, the parties should attempt to resolve disputes at the lowest level and in the least formal manner possible. Although formal legal action is within the purview of both parties, this action should be exercised with extreme caution due to the time, expense, uncertainty of outcome, and potential effect on the business relationship. However, in the event of an impasse, the dispute process as shown in Figure 2 – Dispute Process is triggered to ensure timely resolution of the item to avoid impacts to the Project.

Figure 2 - Dispute Process



10.1 Dispute Escalation Process

Disputes that cannot be worked out informally begin with formal notification of the dispute and a request for a final resolution of the matter. If a meeting with the Contractor is held to discuss the dispute, and the Contractor intends to bring its legal counsel, then OSI Legal must be present. This resolution process can escalate all the way to the OSI Director for final decision. Throughout this escalation process, the Project should consult with OSI Legal as required. Sponsors may be involved in this process consistent with the Governance Management Plan and the Interagency Agreements.

10.2 Negotiations

Negotiation may be a preferred method for resolving a dispute. Negotiation may result in a final decision and/or a contract amendment. Negotiators should be mindful that scope should not be reduced from a contract without a commensurate reduction in cost.

10.3 Litigation

If matters cannot be resolved through the dispute process and litigation is required, it will be handled by OSI Legal. It should be noted that litigation is a remedy of last resort to resolve contract disputes, and the prompt and efficient resolution at the lowest possible level should always be the goal.

11 CHANGE MANAGEMENT

Throughout the contract performance period there will inevitably be changes. The following provides guidance in dealing with the most common types of changes that may be experienced during the term of a contract.

11.1 Changes to the Statement of Work

There are two types of changes: 1) changes within the original scope of work, and 2) changes that are outside the original scope of work. For changes that are within the original scope of work, the parties should follow the change process outlined in the contract. Many contracts include a provision for adding unanticipated tasks via a work order authorization form. In addition, an amendment is required to make some changes, such as those that change the contract term, those that change the total contract amount, and those that change the statement of work where the contract lacks any other mechanism for making the change. It must be noted that changes to the contract value or term must have been included in the original procurement. If they were not, the change is considered outside the original scope of work.

For changes that are outside the original scope of work, the Project must prepare an Non-Competitive Bid (NCB) justification, which must be routed through, and approved by, the OSI Directorate, the Secretary of the California Health and Human Services Agency, and DGS or CDT (whichever control agency has jurisdiction). Once the NCB justification has final approval, an amendment may be prepared. However, if the NCB justification is not approved, the contract amendment cannot proceed, and the Project will need to consider conducting a separate procurement for those services.

The Contract Analyst must understand the complete nature of the change and must not allow the Contractor to begin that work until the change has been properly processed and approved as required. If the Contractor begins work before approvals are secured, the Contractor does so at its own risk as the work could be considered a breach of contract or gratuitous; consequently, it is not in the interest of either party to allow this.

11.2 Staff Movement

There are three instances when staff movement occurs on a contract: Contractor staff substitution, addition, and deletion. Each contract typically has provisions regarding staff movement that may supersede this section which describes the general process.

11.2.1 Contractor Staff Substitution

When an SFM is dissatisfied with a contract staff's performance and/or quality of work, or when a contract staff/subcontractor departs from the Project, a contract substitution is likely to occur. In either event, prior to replacing the resource, the Contractor must provide CWDS a replacement candidate who meets the minimum qualifications specified in the contract for that position. In addition, the Contractor should not assume the replacement candidate receives the same hourly rate as their predecessor. The

SFM assesses the candidate's credentials and conducts an interview to ensure the candidate meets the business and/or technical needs of the Project. If the candidate is approved, the hourly rate is negotiated based upon experience and individual skills but cannot exceed the hourly rate for that position as set forth in the contract. The Contractor submits the appropriate form to onboard the staff replacement, as well as any other documentation required by the contract. The Contract Analyst follows the Onboarding Contractor Staff Checklist (reference Appendix D) to ensure that all steps of the process are completed.

11.2.2 Staff Additions

If a Contractor adds staff to the Project, the process is similar to the staff substitution. The Contract Analyst reviews the candidate's documentation to ensure they meet the criteria and minimum qualifications defined in the contract, and the SFM interviews the candidate to determine suitability for the position. If the candidate is approved, the hourly rate is negotiated based on the experience and skills of the resource. Again, the Contract Analyst follows the Onboarding Contractor Staff Checklist to ensure that all steps of the process are completed.

11.2.3 Staff Deletions

When a contractor leaves the Project, the Contractor submits the appropriate form to offboard the Contractor staff to the Contract Analyst. In the event that the termination is immediate, the SFM or State Contract Manager may also inform the Contract Analyst to ensure that they are aware of the changes. The Contract Analyst follows the Offboarding Contractor Staff Checklist (reference Appendix I) to ensure that all steps of the process are completed, and that access is terminated appropriately.

12 SUBCONTRACTOR MANAGEMENT

The State Contract Manager and Contract Analyst must hold the Contractor responsible for the performance of its subcontractors. If the Project has concerns with a subcontractor's ability to perform, they must notify the Contractor immediately and request a replacement. The State Contract Manager and Contract Analyst must be aware of how much of the contract can be subcontracted out (it is unacceptable to subcontract 100% of the work) and manage to this percentage when considering staff replacements. In addition, the Contract Analyst must ensure that the Bidder Declaration form (GSPD-05-105) is updated whenever there is a change in subcontractors.

13 KNOWLEDGE TRANSFER

Knowledge transfer from Contractors to identified State staff or contracted resources should occur during the life of the contract, and each contract may have its own unique requirements for knowledge transfer. The SFM is responsible for identifying the appropriate resource (State or new contracted resource) to whom the knowledge is transferred, and for monitoring the success of the knowledge transfer process. The Contract Analyst ensures adherence to a Knowledge Transfer Plan as specified in the contract and/or Contract Instrument. The Contractor must ensure all documentation related to the development, service and support of the solution is current, comprehensive, and managed in a manner that is accessible to the State. Documents, including training materials, should be maintained in a current and transparent state.

14 TRANSITION PLANNING

In some circumstances, the need for the contracted goods and services will continue, however, a decision may be made to engage another entity to provide the same or similar set of deliverables.

The transition period from one contract to another can be a high-risk period. The purpose of a transition plan is to outline how CWDS will manage the efficient and effective commencement of the incoming Contractor and the new contract. The transition plan will consider the following aspects:

- Conclusion of the current contract and/or the exit of the outgoing Contractor
- Purpose and objectives of the transition plan
- Overview of the contracts
- Timeframe/period of transition
- Specific differences between the current and future contract
- Develop a communication plan, identify stakeholders, both internally and externally who may be impacted by the change
- Update internal processes or procedures with any changes required under the new contract
- Knowledge transfer
- Documents saved to project repository

15 TERMINATION

The premature ending of a contract is referred to as a termination. Termination usually occurs due to default, convenience, or non-appropriation of funds. The instructions for contract termination are in the General Provisions, which are included in each contract. Upon initiation of a contract termination, OSI Legal is consulted prior to engaging with the Contractor.

15.1 Termination for Default

Termination for default can result from one party’s material breach of the agreement without correction during the cure period. Table 9 – Reasons to Terminate for Default identifies typical reasons to terminate for default.

Table 6 - Reasons to Terminate for Default

REASON	DESCRIPTION
Failure to Perform	The Contractor failed to provide the deliverables or services as described in the contract.
Failure to Adhere to Schedule	The Contractor failed to meet defined milestones or completely perform during a specific period of performance.
Failure to Comply with Other Terms and Conditions	The Contractor failed to comply with other significant terms and conditions contained in the contract.
Repudiation	The Project or Contractor clearly indicate to the other party, by word or deed, that it cannot or will not perform.

15.2 Termination for Convenience

The Project has the unilateral right to terminate an entire contract, or portions of the contract, for the convenience of the State when the termination is in the State’s best interest. Termination for convenience often results from a change in administration priority, downsizing, or other significant events that were not anticipated during contract development. When this occurs, the Contractor submits a termination settlement proposal to recoup any outstanding costs.

15.3 Termination for Non-Appropriation of Funds

The Project has the unilateral right to terminate a contract if the Legislature or Federal Government does not appropriate funding to continue with the services. The Project must work proactively with the Contractor if this is a concern and prioritize work to be completed in the fiscal year in which there is an appropriation.

16 CONTRACT CLOSEOUT

The contract closeout process begins approximately 90 calendar days prior to the contract end date. This allows the Project time to validate that the Contractor has delivered all required services and deliverables/work products. The Contract Analyst is responsible for producing a deliverables report that identifies whether all deliverables have been submitted, approved, and closed. The report is filed in the document management system. Contract closeout activities consist of several procedural and administrative tasks to change the contract status from active to complete. These tasks include:

- Verifying that all required services and deliverables/work products have been received and accepted
- Verifying that all Contractor invoices have been received and paid
- Agreeing that no claims, issues, or unresolved matters exist
- Disencumbering excess funds remaining on the contract
- Exit interviews
- Completing Contractor evaluations.

All contract related artifacts are archived consistent with record retention schedules for at least three (3) years after final payment is made (see State Contracting Manual Volume 1 Section 7.50 ([https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/State-Contracting-Manual-Volume-2-3-FI\\$Cal](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/State-Contracting-Manual-Volume-2-3-FI$Cal)))

17 FINAL REPORTS

Most contracts require a Final Report which summarizes the Contractor's accomplishments, the status of all Contractor deliverables (including any ad hoc items not described in the original SOW), lessons learned, and a financial summary. The Final Report should be submitted in accordance with the contract requirements. This is to allow the State Contract Manager time to review the report and discuss any deficiencies or open items with the Contractor prior to the close of the contract. All deliverables should be verified to ensure they were either accepted or cancelled by the State. Any overdue or pending deliverables or open items must be resolved prior to the end of the contract. No Contractor may continue to work past the contract end date.

17.1 Contractor Evaluations

The SFM completes the Contractor Evaluation Form (DGS STD 4) and forwards it to the State Contract Manager for review. If negative, a copy of the STD 4 must be forwarded to DGS within five (5) days of the evaluation. This evaluation is considered confidential and must be marked and stored accordingly. The evaluation is sent to ACSD and a copy of the form with all pertinent contract notes is filed in a folder separate from the contract file¹.

17.2 Final Invoices

The Contractor submits an invoice covering the final hours and tasks completed under the contract prior to the termination or completion of the contract. If a withhold has been used, the Contractor must also submit a separate invoice for the withhold, and the invoice must be clearly marked indicating the invoice as "withhold." The final invoice will be denied if it is determined that the Contractor has not performed all the work.

After the final invoices have been paid, the Project Fiscal Analyst must notify the OSI Accounting Office of any remaining funds that require disencumbering. These funds will then become available for reallocation.

17.3 Contract End

No Contractor may continue to work past the contract end date. Once the Contract Analyst validates with the Project fiscal unit that all invoices have been received and paid, the Contract Analyst will close the SOW record in the Contract Management Tool.

¹ Evaluation forms are not public records per California Public Contract Code section 10370; thus, they should not be kept in the contract file.

APPENDICES

APPENDIX A: OSI PURCHASING AUTHORITY LETTER

Attached file: App A.pdf

APPENDIX B: MOCK WORK ORDER AUTHORIZATION (WOA)

Attached file: App B.pdf

APPENDIX C: CONTRACT MANAGER MEMORANDUM

Attached file: App C.pdf

APPENDIX D: ONBOARDING CONTRACTOR STAFF CHECKLIST

Attached file: App D.pdf

APPENDIX E: SAMPLE WORK ORDER COVER LETTER

Attached file: App E.pdf

APPENDIX E.1: SAMPLE WORK ORDER

Attached file: App E1.pdf

APPENDIX F: SAMPLE TASK ACCOMPLISHMENT PLAN

Attached file: App F.pdf

APPENDIX G: SAMPLE MONTHLY STATUS REPORT

Attached file: App G.pdf

APPENDIX H: SAMPLE QUALITY FACTORS

Attached file: App H.pdf

APPENDIX H.1: SAMPLE QUALITY FACTOR CRITERIA

Attached file: App 1.pdf

APPENDIX H.2: INITIAL QUALITY RATING TOOLS

Attached file: App H2.pdf

APPENDIX I: OFFBOARDING CONTRACTOR STAFF CHECKLIST

Attached file: App I.pdf

APPENDIX J: ACRONYMS AND INITIALISMS

Attached file: App J.pdf