

Frequently asked questions: 2020 Persons with Developmental Disabilities (PDD) Contract Template

This Frequently Asked Questions document was originally created based upon March, 2017 changes to the PDD contract template. It was updated with revisions introduced March 10, 2020 and further augmented to include information about the COVID-19 invoicing process on April 28, 2020. Further updates can be found on: <http://www.humanservices.alberta.ca/documents/PQR-new-PDD-contract-templates-faqs.pdf>

The COVID-19 pandemic is an extraordinary event. We recognize and appreciate that service providers have had to make key organizational decisions to respond to COVID-19. There is an acknowledgment that in some circumstances, services have had to be suspended or delivered differently.

This new section of the FAQ is designed to provide guidance and direction to support service providers to identify, track and address costs related to the COVID-19 pandemic.

Note: we continue to be guided by the contractual agreement between the Ministry and Service Providers. All information/clarification herein was carefully reviewed to ensure adherence to the PDD Service Provider Contract.

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Why is Community and Social Services implementing a new contract template for Persons with Developmental Disabilities (PDD) services?

In March 2016, Community and Social Services introduced a suite of common contract templates to replace the over 50 previously in circulation. The new templates:

- Address feedback from service providers who found the multiple contracts and reporting requirements to be administratively burdensome;
- Align with government standards and practice and promote a unified Ministry approach to contracting; and
- Enhance transparency and accountability for Albertans.

The new contract templates were introduced to service providers in March 2016 and implemented for all services starting April 1, 2016, with the exception of PDD. PDD service providers expressed concerns with the proposed PDD template, so the Ministry supported further consultation with the sector. Implementation of a new PDD contract template was deferred to April 1, 2017.

How was the new contract template developed?

The PDD Contract Template Committee was formally established in May 2016 and included ministry staff, legal counsel for Human Services, the Alberta Council of Disability Services and four PDD service providers. Over the course of several months, the Committee jointly developed a new contract template that was approved by Community and Social Services Minister Irfan Sabir and will be used for all direct PDD services starting April 1, 2017.

I have questions about the new PDD contract template. Who can help me?

The new PDD contract template has several new or revised provisions, and we expect that you will have questions about how these will be put into practice. Community and Social Services offered information sessions on the new contract template for PDD service providers and ministry contracting staff in each of our Service Delivery Regions during the month of January 2017. The sessions provided detailed information about key provisions in the new template. The information session has been recorded as a webinar and is available in two parts on this website.

In addition, we have tried to anticipate questions regarding the new contract template in this document, which will be updated on a regular basis. If you can't find an answer to your question here or in the webinar, please direct it to your regional Contract Specialist.

When does the new PDD template take effect?

The new template will be used for all new PDD contracts effective April 1, 2017. If your current contract ends after that date, the new contract template will be used for any subsequent contract.

Will general service contracts and family managed contracts be expected to meet the same reporting requirements?

Reporting requirements under general service and family managed contracts reflect the nature of the services required. Reporting under all agreement formats continues to be explored and revised where appropriate and may vary based upon the nature of the service.

In January 2016, the ministry implemented a Pre-Qualified Resource (PQR) process which required all service providers to become pre-qualified and sign a PQR Master Agreement. In November 2016, the Minister announced that existing front line services for Albertans with developmental disabilities would not be competitively tendered. Given this direction, is the PQR and associated Master Agreement still in effect?

Yes the PQR is still in effect. The PQR list promotes transparency and helps to increase public confidence in service quality, access and safety by ensuring all providers on the list meet minimum qualifications. The PQR list also enables service delivery regions to access the service provider that best meets the clients' needs.

Regardless of the method used by the ministry to acquire services, including sole-sourced or competitive, service providers must be qualified as part of the PQR process. On occasion, where new services are introduced or existing providers are not able to meet the demand for services, service delivery regions will use the PQR list to notify all qualified service providers of the opportunity to submit a proposal for the work.

Is the PQR Master Agreement aligned with the new PDD contract template?

Yes, the Master Agreement from the PQR aligns with the new PDD contract template. The Master Agreement and the Services Agreement capture two different facets of providing services under the PQR. The Master Agreement qualifies the service provider as a QSP (Qualified Service Provider) and must be in place for as long as the provider wishes to be considered to offer services. The new PDD template is the service agreement between the province and the contractor and relates specifically to the services required by the province and offered by the QSP.

What is the significance of the capitalized terms within the contract?

Capitalized terms are defined in the Definitions section of the contract.

Why are some areas of the template shaded?

Shaded fields reflect areas that require decision and input by the Service Delivery Region and/or service provider based upon the specific service delivery arrangement. These matters will be discussed with your Contract Specialist in the contract development stage.

Article 2, Contract Term: How long will the term of the new agreement be?

We anticipate that the majority of agreements for direct PDD services using the new contract template entered into on April 1, 2017 will be for three years, ending March 31, 2020. This is a change from the historical practice of entering into annual contracts. Longer term contracts will provide greater continuity of care for clients and will provide contractors greater flexibility and assurance in planning service delivery and using funding.

I am concerned that a three-year contract will lock my agency in to a lengthy term with no ability to negotiate funding increases during the term. Can I enter into a shorter term contract (i.e. one year) instead?

While we expect that the majority of agreements will be for a three-year term, service providers may request a shorter term (i.e. one or two years). Regardless of the length of the contract term, and as per current practice, service providers can identify their operational needs for discussion with and consideration by regional contracting staff at any point during the contract term. The option of a three-year term offers greater predictability of funding and increased flexibility for service providers to plan for and allocate funding over the term.

Article 3.4: Which entities are authorized to conduct a criminal record check and/or vulnerable sector check?

Entities authorized to conduct criminal record/vulnerable sectors checks include police services of the local jurisdiction or companies that enter into agreements with local police services for this purpose. For more information about the steps required to complete a check, please see this link or contact your local police services.

Article 3.4: Do the results of the criminal record and vulnerable sector checks need to be in place prior to hiring a new employee?

Ideally, all successful applicants for employment should undergo a criminal records check and vulnerable sector check before commencing employment. However recognizing that time lines for completing these checks can be outside of the agencies' control, this should be completed as soon as is reasonably possible upon initial employment for staff new to an agency, and every three years after the initial check.

Article 3.4: In the supportive roommate model, are criminal/vulnerable sector checks required for all residents in the home who are over 18?

The intent of this clause is to ensure those who are directly responsible for supporting the individual have a criminal/vulnerable person check. As these types of situations vary greatly, it is important for agencies to consider the need for such checks as per their policies for employees, sub-contractors agents and volunteers who provide this type of support.

Article 3.4: With regard to criminal record checks, who will provide reasonable direction in cases where the checks reveal potential risks to clients?

As per current practice, the contractor is expected to bring any issues regarding potential risks to clients forward to the service delivery region to discuss the potential risk issue and attempt to resolve it. In extreme instances, where further directions may be required to address potential risks, the province may provide directions to the service provider to mitigate any harm to clients.

Article 4.4: If the Province determines that a Contractor did not comply with Standards, what steps will be taken?

As per current practice, in the large majority of cases, the Service Delivery Region and the Contractor will first discuss the issue and attempt to resolve it. In some instances, the Province may request that the Contractor develop and carry out an action plan to re-establish compliance. However, in exceptional circumstances and depending on the nature and/or significance of the non-compliance, the Province may determine that immediate termination of the agreement is the most appropriate course of action.

Article 5: What is the process for initiating a 'Program and Services Audit'?

The ministry may use a program and services audit to ensure that services are provided in accordance with the contract. There may also be instances where the ministry wishes to evaluate a program as a whole, and individual contracts may need to be reviewed. The regional director with responsibility for the PDD program has the authority to request an audit. The regional director must inform the Contractor of the intent to proceed with an audit or review.

Article 5: If the Province requests an audit, review or evaluation of the Program and Services, how will the contractor be notified, and will this include the reason for the request and timelines?

A request for an audit, review or evaluation of the Program and Services will be made by the Province, in writing, to the Contractor. This notice will include rationale for the request and, where applicable, timelines for response and action.

Article 6.1a: Does this new contract template still allow for the provision of advance funds?

Yes, the practice of providing advance funds will continue. Contractors are still able to request up to two, one-month advances per year, as per the value of their signed agreement in circumstances where advance funds are necessary to ensure operations of the Contractor.

Note: Reconciliation is to occur within the fiscal year in which the advance was issued. The Ministry, in coordination with contractor, will consider if re-issue of advances are required on an annual basis.

Note: The primary reason for issuing advance funds is to assist an agency to meet pressing financial commitments pertaining to their disability service operations (i.e. payroll). While there may be additional reasons for an advance, the intent is to prompt a conversation between the agency and their Contract and Procurement Specialist to identify reasonable substantiation for the advance payment.

Article 6.1 references funding categories that differ from past practice. What was the reason for this change, and does this mean funding levels will change?

Funding levels are not intended to change as a result of the new template. The intent of funding categories is to provide the Province with a better picture of how public funds are used (i.e. to which categories), particularly those that are not tied directly to services for clients. The previous template did not support full and transparent accounting for the use of funding, nor did it establish sufficient parameters for the appropriate use of funding.

Article 6.1: What happens if an invoice submitted by a service provider is not approved?

If an invoice submitted by a Contractor is not approved, the Service Delivery Region will provide notice and reasons for not approving the invoice to the Contractor within five business days. The Contractor can then correct the error and resubmit the invoice for payment.

Article 6.3: What happens to the interest I may earn on Advance Funds?

The Contract has been amended to add clarity that any interest earned on Advance Funds forms part of the funding provided by the Province, and must be accounted for as part of the Service Provider reporting. Contractors are required to use any interest earned for the delivery of services and/or, if identified as surplus funds, return it to the Ministry.

Definition of Advance Funds has also been amended to add this clarity.

Article 6.4: If an individual leaves service under my contract, how does this affect my funding?

Shared service environments are typically characterized by a team staffing approach to providing services to clients. When an individual transitions out of a shared environment, and where the supports provided shift temporarily to the remaining individuals in this shared environment, the service provider can continue to be reimbursed by the Ministry, on a temporary basis of up to 90 days from the time notice is given to the Department. Payment will be at the previous amount by submitting invoices to a vacant service.

The intent of this provision is to provide agencies with flexibility to maintain the resulting capacity until the space is filled, or the model is adjusted and funded accordingly to preserve scalability (the addition of a new client(s) at a later point in time, or adapted to reflect a permanent change in the model). Such reimbursement is subject to mutual intent on behalf of the Ministry and the service provider to fill temporarily vacant spaces within 90 days.

Article 6.5: How and when will surplus be determined?

Surplus is the total amount of funds paid by the Province to the Contractor that remains unexpended at the end of the contract term. Surplus will be determined based on the Contractor's reported and audited (if applicable) statements of expenditures.

Positive variances that exist during the term of a full three-year contract are not considered surplus. Rather, determination of surplus will take place at the end of the contract term, or within one year of contract expiry or termination.

Article 6.8: What is the intent of this provision?

This is a standard provision across Government of Alberta contracts to ensure that services purchased by government are delivered as promised in the agreement. In the PDD context, the intent is not to demand repayment for occasional periods of non-service that are a result of an individual's periodic absence from being provided services. However, in rare instances where an individual does not receive substantive services for extended periods of time, **and** their services outcomes are not met, the Province must retain the discretion to determine if repayment for non-delivered services is required.

Article 6.8: How will it be determined if an individual has not received 'substantive' services?

This provision will be exercised only following discussions with the individual, their family/guardian, and the Contractor; it would require approval by senior regional management.

Article 6.10: What is the process and timeline for requesting additional funding for exceptional services?

If an individual requires services in an urgent or extraordinary situation, the Contractor should immediately notify the Service Delivery Region (through their Contract Specialist) in writing and provide reasons for the request. The Service Delivery Region will work with the individual, guardian and Contractor to determine if additional services and funding are required, and will notify the Contractor as soon as reasonably possible. If additional funding is approved, an updated referral confirmation will be provided. If additional funding is not approved, the Province will provide its reasons for this to the Contractor, in writing, within five business days - unless circumstances warrant otherwise.

Article 6.10: Is there a separate process for requesting additional funding to offset the impact of new expectations and requirements for service providers?

Requests for additional funding not related to urgent/extraordinary situations or temporary service adjustments may arise over the course of a contract term. As per current practice, it is expected that open communication will be maintained between the Contractor and Service Delivery Region, and matters relating to funding will be brought forward and discussed through a variety of mechanisms, including dispute resolution, if required.

Article 6.10: If the Province approves a request for additional funding for urgent/extraordinary circumstances, will this funding be provided retroactively to the date that the additional services were initiated, to the date that the request was made by the contractor, or to the date that the Province approved the request?

In cases where urgent/emergency services are required immediately, it is important that service providers notify the Service Delivery Region as soon as is possible to avoid a gap between the service request and funding. If there is a gap between when emergency services started being delivered and when the request was made, service providers should initiate a discussion with the Service Delivery Region staff to arrive at an agreement for funding. Approaches may vary based upon the circumstances.

Article 6.11: Can service providers re-allocate funds between the new funding categories?

Yes, the new contract provides flexibility to move money between certain categories without approval, provided the amount does not exceed certain thresholds (20% of the initial category value). For example, a positive variance in 'Direct Service Costs' may be reallocated to 'Indirect Service Costs' without approval. However, in some instances, approval for reallocation is required, such as when moving money to Capital Expenditures or Ancillary Program Costs.

If funds are reallocated between categories, the Contractor must provide an updated budget (Schedule B) to reflect the reallocation, at minimum on a quarterly basis.

Article 6.11: In what circumstances will the initial values of the budget categories be revised?

Initial values of the budget categories would only be revised when the budget (and contract) is amended, and not as a result of reallocation of funds within thresholds. An amendment may occur when there is a substantial increase in Total Direct Service Costs or when the Service Delivery Region and contractor believe some significant changes are needed to ensure the budget reflects the actual costs of providing services.

Article 7: What are the reporting requirements under this new contract?

The new contract describes requirements for three different types of reporting: Financial reporting, compliance assurance reporting and outcome reporting.

Financial Reporting

The Contractor must, on an annual basis (within 90 days of its fiscal year end), provide:

- Its latest annual consolidated financial statements to the Province (and, if the statements are audited, provide a copy of the Auditor's Report);
- Completed Appendix 1 to Schedule D (Annual Financial Reporting Form).
- Note: Appendix 1 to Schedule D has been amended to accommodate multi-year reporting.

Compliance Assurance Reporting

The Contractor must, on an annual basis (within 90 days of its fiscal year end), provide:

- A Compliance Report that provides assurance the contractor has met the financial terms of the Contract and in particular, that the reporting provided through Appendix 1.0 to Schedule D is accurate.
- The level of assurance required for the Compliance Report will vary depending on the contract value. Contract values over \$500,000 require an audit level assurance that the contract obligations are being met and that Appendix 1.0 to Schedule D is accurate.

- Compliance Reports are reviewed annually by contract and procurement staff and updates and next steps, as appropriate, are recommended to the regional and provincial leadership.

Outcome Reporting

- Contractors will continue to report as per the Performance Management Framework set out in Schedule D of the contract.

Note: Within 90 days of the end of the contract, whether it expires or is terminated, the Contractor must provide an Auditor's Report to the Province, regardless of the contract value. The Province may also request and pay the costs for an independently audited financial statement or Auditor's Report, at any time during the term of the contract.

Note: The Contract was revised as follows to clarify the reporting requirements:

- "Compliance Report" has been added as a Definition in Article 1;
- Schedule D Reporting has been revised to add "Compliance Report" with the frequency "Annually"; and
- Appendix 1.0 to Schedule A will highlight the financial oversight required for your contract as it relates to the Compliance Report. Specifically, the oversight level can be found under 'Other Standards' and will align with the financial policy for the value of your contract.

Article 7: Financial reporting provisions state that annual Consolidated Financial Statements are required, as well as an Auditor's Report at the end of the contract term. If a service provider's annual financial statements are audited and these are provided to the Province, can the

The Auditor's Report at the end of the contract term **cannot** be waived. A term-end Auditor's Report differs from the Annual Consolidated Financial Statements in that, the auditor is required to provide an opinion on the schedules and documents submitted to the Ministry as defined in the reporting terms of the service contract. The service provider is required to provide the Ministry the following 2 reports:

1. A copy of the *audited consolidated financial statements* including the opinion rendered by the auditor. This is to be provided to the Ministry on an annual basis, in compliance with the time frame outlined in terms of the contract.
2. A copy of an Auditor's Report (Assurance Level: Audit) including opinion rendered by the auditor on the financial information (contract schedules), compiled by service provider and submitted to the Ministry, in compliance with

requirement for a term-end Auditor's Report be waived?

financial requirements stipulated in the terms of the agreement. This report is required, in addition to the opinion rendered by the auditor relating to the financial statements. The service provider should discuss this with their auditor to determine the best approach.

Frequency: The service provider has **two** options in regards to this requirement:

- i. The service provider can elect to direct the auditor to complete this report on an annual basis. If this is chosen the service provider will provide, to the Ministry, both the Auditor's Report and the Annual Consolidated Financial Statements annually.
- ii. The service provider can elect to direct the auditor to complete this report at the end of the contract term. If this is chosen the scope of the Auditor's Report will include the entire term of the contract (example: in most cases three years). In compliance with the reporting terms outlined in the contract, the service provider will provide, at the completion of the contract, the final year's Annual Consolidated Financial Statements and a copy of the Auditor's Report (for the entire term of the contract).

Article 7.2 Consolidated Financial Statement and Auditors Report: Can the Service Provider request an extension to the timeline for submitting these reports in circumstances where they require more than 90 days to complete the audit?

The 90-day time limit is consistent across government. This ensures that contractors are treated equitably and fairly across the province. However, in rare instances where a service provider cannot meet the timelines due to circumstances beyond its control, it can request an extension of time in writing that would be considered by the Province. The maximum extension that will be considered is 120 days, given the Province's obligation to meet its financial reporting requirements. Where extensions of time are reasonable, the Province will notify the Contractor in writing.

Requests for extensions may need to be substantiated by a letter from the auditor outlining the reasons for the extension. Extensions are granted only when, in the course of performing the contract, it becomes evident that certain timelines cannot be met despite best efforts by the Contractor.

Article 9 Subcontracting: If the Contractor intends to subcontract for services, is it necessary to inform the Province prior to subcontracting?

As per current practice, Contractors may choose to subcontract for services. For information purposes, we request that the Contractor identifies any intent to subcontract services in Schedule A and, ideally, identifies the subcontractor they intend to use for a particular service. Prior approval of the sub-contractor by the province is not required. The Contractor remains responsible for the performance and activities provided by its subcontractors under the contract.

Article 10: Who determines what constitutes a 'key position', and why do I have to notify the Province if a key position needs to be replaced?

In rare circumstances, the Contractor and Service Delivery Region will jointly determine, through discussion, that a position with highly specialized skills or experience (e.g. a medical or psychiatric specialist) is essential to provide services to one or more individuals under the agreement. In this case, the position will be listed in Schedule A (VII) and the Province must be notified, in writing, prior to this position being replaced. If the position remains unchanged but the individual filling that position changes, there is no requirement to notify the Province. The intent is not to identify all personnel providing services under the agreement but rather those critical positions without which highly specialized services cannot be performed.

Article 12 Material Ownership: Does this mean that the Province will claim ownership of any materials or deliverables developed by the service provider?

No, only those materials and/or deliverables directly associated with services under the contract and specifically paid for by the Province would be subject to this provision. These would be jointly identified by the Contractor and Service Delivery Region in Schedule A (VIII) and Article 12 would only apply to those deliverables and/or materials.

Article 14: Who owns the personal information I collect from clients?

Through the course of delivering services under the contract, the Contractor collects and uses client personal information. As has historically been the case, this information is collected on behalf of the Province under the *Freedom of Information and Protection of Privacy Act* (FOIP) and, as such, belongs to the Province.

Article 14: What happens if I receive a request under FOIP?

Should the Contractor receive a FOIP request, they should not respond to it, but rather immediately forward the request to the Service Delivery Region for further handling.

Article 14.7: Why do service providers have to store all records of personal information in Canada? What does this mean for cloud-based storage solutions?

As this personal information belongs to the Province, the Province must ensure that this information is protected in accordance with applicable federal and provincial legislation (e.g., FOIP, *Health Information Act*).

Cloud-based storage solutions can be used as long as the personal information remains in Canada. This means that cloud service providers must not only offer their services in Canada, but must also host their cloud services in servers based in Canada. A potential cloud service provider can confirm this.

Article 16.2 Insurance: Does \$2 million automobile liability insurance include staff using their own vehicles for work under the contract, and is coverage only required when a staff member is transporting a client?

Auto insurance policies vary. Service providers should consult with their insurance professionals to ensure necessary coverage is in place for the organization and for all staff who drive during the performance of their work.

For additional consideration, please note that Article 16.2 pertains only to vehicles that are agency-owned, operated or licensed in the name of the Contractor and that are only used for transporting clients. It does not apply to staff-owned vehicles.

Agency-employed staff using their own vehicles must consult with their employer and insurer as to their specific insurance needs for work purposes.

Article 16.4 Workers Compensation: the new template requires insurance if a contractor is considered exempt from WCB. What is meant by “hold and maintain equivalent insurance covering staff” in this provision? This phrase was not in the previous (2016-2017) PDD template.

Through discussion leading up to the new template, the Province received feedback that employers’ liability insurance would not capture the intent of the provision for the PDD sector. The purpose of the provision is to ensure that coverage is in place with contractors for their workers in case an injury was to occur and WCB was not in place. Upon discussion with the Alberta Council of Disability Services and its insurance advisors, Article 16.4 has been revised to mirror language in the old (2016-17) PDD contract template, which states that contractors must maintain Worker’s Compensation insurance or, if exempt, provide evidence of exemption on request by the Province. Contractors should always confirm their coverage with their insurance providers to ensure adequate protections are in place.

Article 18 Notice: Is there an option to hand deliver, use registered mail or deliver by email?

Notice under a contract is different than routine communication between the parties in carrying out a contract. Notice is a formal communication between parties. For example, notice is required where there is a potential loss of Personal Information, when there is a change in the corporate status of the Contractor, or when records need to be preserved. Often notice is subject to specific time periods and requires confirmation of the authority of the individual providing notice on behalf of the party. Given the authority and formal aspect of Notice, the Ministry requires notice to be in writing.

In terms of delivery, since timing for notice is important, methods of delivery and receipt are limited to those where timing can be substantiated. As such, to promote consistency, delivery is limited to the methods set out in the provision and does not include email.

Article 19.4: In the event that the contract

In these circumstances, our first priority is ensuring services continue to be provided to clients with minimal disruption. The contract does not include a

is terminated or expires without intent to enter in a new contract, how will continuity of care be preserved?

requirement for notice of intent to not enter in a new contract at the end of the term. However in practice, it is expected that either party will immediately (and within 90 days of contract expiry) communicate any such intent and work together to implement transition planning. Should it be determined that additional time is required beyond the term of the agreement to complete transitions, a number of options may be considered including extension of the current contract or a new short-term contract to support transition activities and associated wind-up costs.

Article 22.1(a): What constitutes “private interests”?

Historically the issue of “private interests” has been discussed, and members of the PDD Provincial Contract Advisory Committee mutually agreed, that private interests are those interests that benefit the individual employee, agent or sub-contractor as a private citizen and do not represent the actions/interests of the service provider, employee, agent or sub-contractor which aim to influence public policy decisions for the betterment of their clients and the delivery of services to them.

Article 22.1(f): Why is the *Lobbyists Act* referred to specifically?

This provision is standard across Government of Alberta contracts and existed in previous iterations of the PDD contract template. The reference to the *Lobbyists Act* is simply intended to highlight the obligation of the Contractor to comply with all legislation and, in particular, laws that are relevant for service providers contracted by Government to provide goods or services.

Article 22.2: What steps should a Contractor take if they identify a potential conflict of interest?

If a Contractor determines that a conflict of interest may exist in relation to the performance of services under the contract, the Contractor should immediately notify the Province, through the Service Delivery Region, in writing. The Province will work with the Contractor to review the matter and notify the Contractor, within five business days, of its findings and next steps. This may include confirming that the matter does not constitute a conflict of interest or, if a conflict of interest exists, may result in an action plan to remedy the conflict, suspension of services, or, in exceptional circumstances, termination of the contract.

Note that a single conflict of interest, once disclosed, need not be disclosed repeatedly once resolved.

Article 24.1: In the event there is a dispute

It is expected that the parties will maintain open communication with regards to providing services under the contract. This means that issues should first be

between the service provider and the Province with respect to the contract, what are some potential next steps?

discussed between the respective representatives. In the event that the dispute cannot be initially resolved between representatives, the contract allows for good faith negotiations, dispute resolution and if needed, mediation. If the matter still cannot be resolved, the Minister will follow the rules of natural justice and procedural fairness in determining a resolution.

Schedule B, Funding Categories: How do we transition from the previous Schedule B to the new one?

In the 2016 PDD Contract Template, Schedule B, Section VI – Total Contract Amount Breakdown identifies three funding components: Direct Service Costs, Service Delivery Expenditures and Administration Expenditures. Combined, these figures constitute the total contract amount provided to the Contractor.

The new 2017 PDD Contract Template also includes three funding components: Direct Service Costs, Indirect Service Costs, and Ancillary Program Costs. Indirect Service Costs is further broken down into three categories: Supervisory Costs, Administrative Staff and Expenditures

In transitioning from the current 2016 contract template to the new 2017 contract template, the amount identified for Direct Services (2016) will be applied to the same category (2017). As identified in the 2017 Schedule B, Total Direct Service Costs reflect the maximum funding available under the contract for the provision of direct client services which are payable as a function of referral confirmations. Where the direct client services payable as a function of referral confirmations differs between the 2016 and 2017 contracts, this amount should be adjusted accordingly.

Further to transitioning from the current 2016 contract template to the new 2017 contract template, the amount identified for Service Delivery Expenditures and Administration Expenditures (2016) will be allocated against both Indirect Service Costs and Ancillary Program Costs (2017). This particular allocation should be determined by the Contractor and communicated openly to the Service Delivery Region.

Note: In all cases, total payments under the contract cannot exceed the budgeted amounts identified for the categories in Schedule B.

Schedule B: How is funding for capital expenses treated in the new contract?

Consistent with Government of Alberta practice, capital assets are typically not paid outright but, rather, amortized. This is because the Province needs to be assured that proposed capital expenditures are directly tied to services for individuals under the contract. In the new 2017 PDD contract template, the

exceptions are office equipment and furnishings, as well as upgrades to physical infrastructure that have been approved by the Province.

Schedule B, Guidance for Staffing Costs: Can funding allocated to an individual staff member be split amongst categories?

Yes, if appropriate. For example, there may be supervisor positions that also provide direct client services. In these cases, it would be appropriate to apportion the funding between the front line and supervisory staff cost categories to reflect the division of time.

Schedule B: When completing the initial budget allocation, to what level of detail is the Contractor required to allocate? For example, is allocation to each funding category sufficient, or does the Contractor need to allocate to individual expenditure lines?

As outlined in Schedule B to the contract (page B1 and B2), the initial term budget is allocated across the five funding categories (Direct Service Costs, Supervisory Costs, Administrative Staff Costs, Eligible Operating and Capital Expenditures, and Ancillary Program Costs). While the allocation to category one (Direct Service Costs) is set by the Province, allocation to the remaining funding categories is at the discretion of the Contractor in consultation with the Service Delivery Region. Allocation to specific expenditure lines is not required at the initial budget development stage. This level of detail is for reporting on actual expenditures during the term (see Financial Reporting Form, Appendix 1.0 to Schedule D).

Schedule B: Eligible Operating Expenditures indicates that costs for business travel and accommodation cannot exceed standard Government of Alberta rates. Where can I find these rates?

Government of Alberta travel and accommodation rates are included as APPENDIX "A" Travel and Meal Reimbursement and Allowance Rates in travel, meal, and hospitality expense policy. The policy can also be accessed at finance.alberta.ca.

Schedule B: How do Contractors report expenditures that are not specifically identified in the Eligible Operating, Capital and APC cost chart?

The list of expenditures included in the Eligible Operating, Capital and APC cost chart is not exhaustive. The Contractor may contact the Service Delivery Region for more information. Under Eligible Operating, there is an 'other overhead costs' category that may be used to capture unrecovered costs incurred by the Contractor that are required for business purposes in support of services provided under the Contract. This may include costs such as those related to planning and

reporting, legal and other external professional fees, board/organizational development, business/property taxes, storage costs and expenses related to safety equipment and other program supplies. Vehicle fleet maintenance and repair costs may be considered under Eligible Operating (Repairs & Maintenance) while vehicle operating costs would fit under Business Travel.

**Schedule D, Section C:
Why was the
Performance
Management
Framework (PMF)
changed?**

When the original PMF was initially implemented to support PDD's Outcomes Based Service Delivery model, it was acknowledged that improvements may be made as part of a continuous improvement process. As the original PMF was being implemented, the PDD Contract Advisory Committee (PCAC) analyzed the current approach and considered opportunities to enhance the identification and use of individual outcomes across PDD.

**Schedule D, Section C:
How was the PMF
developed?**

The new PMF is the result of the work of the PCAC and is intended to leverage existing processes to support PDD's Outcomes Based Service Delivery model. The PCAC will continue to monitor implementation of the new PMF with the intent for continuous improvement.

**Will outcomes
performance reporting
be used for funding
purposes?**

No, as the outcomes performance reporting is only done at the aggregate level for each agency. It is intended to be used only for discussion regarding continuous improvement considerations.

**Schedule D, Outcomes
Performance Reporting:
Is quarterly reporting
required for each
client?**

No, reporting on the aggregate goals met/not met for a particular agency only needs to include individuals whose Individual Service Plan (ISP) was reviewed during that quarter.

Individuals would only be reported on an annual basis, as this is the general timeframe for when their ISP is reviewed.

**Schedule D, Outcomes
Performance Reporting:
Will the PMF reporting
template be completed
annually, since ISPs
are reviewed annually?**

Contractors are expected to complete and submit the PMF reporting template quarterly, reflecting ISPs reviewed during this timeframe. By the end of one year, all individuals served would generally be included in the year-end totals. At the beginning of the next year, this cycle would begin with new ISP review data.

Schedule D, Outcomes Performance Reporting: Has the PDD PMF reporting template been finalized, and are service providers required to use it or can they submit a format already in use that provides the same information?

The ministry is currently exploring options to move the PMF reporting template shared during the regional information sessions into a platform which will make it easier for service providers and regional staff to use going forward. We anticipate this to be completed soon and will keep service providers updated on any progress. Following completion of this work, the Disabilities, Inclusion and Accessibility Division will arrange for information sessions for both service provider and regional staff.

In the interim, there should be no need to pre-populate the PMF reporting template prior to April 1, 2017 as it can be populated in real-time as ISPs are conducted.

Regarding the use of an alternate reporting tool and/or template, service providers considering this approach should submit to their region such a proposal to ensure the information being shared aligns with the information being requested in the reporting template.

COVID-19

- *There continues to be a need to ensure a reasonable balance between fiscal accountability and contract flexibility. Regional contract and procurement teams will work with service providers to develop a common understanding of how services and/or service delivery may have changed during the pandemic.*
- *Service providers are encouraged to provide individual-level detail **IF** readily available. This will allow them to finalize their reporting through the invoicing process as soon as possible. This will also support our ability to respond quickly to requests to accurately reflect COVID-19 related service changes and expenditures for a specific invoicing period.*
- *However the Department recognizes service providers' may require additional time to reflect the 'actual direct services' provided to individuals through the invoice process. As a result, service providers continue to have the option of issuing correcting invoices during the fiscal year of the agreement to reflect actual services delivered by code.*

How can service providers use their contracts in a flexible manner to address the

Service providers that have adjusted programming and service delivery to respond to the pandemic are authorized to re-profile these resources to address cost pressures as a result of COVID-19 due to provision of direct service.

- Clause 6.11 provides service providers with the flexibility to move funding

needs of the clients they serve?

between certain categories without approval provided the amount does not exceed certain thresholds (20 per cent of the initial category value). For example, indirect expenditures not incurred (e.g. due to changes in the service provider's staffing complement) are eligible for reallocation towards direct services due to the COVID-19 pandemic. This also includes the cost of supplies in response to managing COVID-19.

- Clause 6.10 allows for a temporary adjustment to a services model in urgent and extraordinary circumstances with substantiation and at the discretion of the Department.

What is the process for service providers that provide ONLY community access or employment programs?

For organizations that provide **ONLY community access or employment programs**, the invoice process identified below still applies; however, invoices must reflect services delivered.

Given the nature of the pandemic and program adjustments undertaken by Service Providers throughout April 2020, the Department encourages these organizations to discuss costs incurred due to planning and implementation with their Contract and Procurement Specialist.

How should service providers invoice for services and costs during the pandemic?

A revised invoice template has been introduced for the April 2020 invoice period and will continue in the interim until the provincial state of emergency has ended. Final COVID-19-related costs may be recorded and invoiced for up to 90-days after the state of emergency has ended or by March 31, 2021, whichever is sooner.

A new Tab (COVID-19) has been created on the invoice template to track and identify COVID-19 related costs. Current contract categories are similarly reflected under the COVID-19 Tab:

- **DIRECT:** Staffing-related expenses: Including staff incentives/staffing needs in group home environments and related subcontractors for direct services provided.
- **INDIRECT:** Supervisory cost allocation, administrative staff allocation, eligible operating expenditure allocation (e.g. personal protective equipment [PPE], IT costs to support isolation/social distancing, etc.), eligible capital expenditure allocation.

- ANCILLARY PROGRAM COSTS.

The invoice submission process remains unchanged – Service providers will continue to use the online invoice submission portal.

How should service providers complete the invoice template?

The invoice process differs depending on whether the service provider is able to manage COVID-19 costs within OR outside their monthly allocated budget.

Requirements for service providers that are able to manage COVID-19 costs WITHIN their monthly approved invoice allocation (i.e. no additional funding is required):

- On Tab 1 (Regular Invoice) – Identify the total amount of service provided per individual (as per the normal invoicing process). This total should include the approved monthly amount +/- any additional amounts due to COVID. The Invoice Grand total will reflect all costs incurred by the service provider. The Budgeted Monthly Services Total is the approved monthly invoice allocation. The Variance (over/under) Budgeted due to COVID represents the difference between the Invoice Total and the approved monthly invoice allocation. For service providers within their allocation the variance is expected to be zero. *Tab 1 will be processed and paid through our system.*
- On Tab 2 (COVID-19) – Identify the **lump sum dollar** value of your COVID-19 costs (direct, indirect and ancillary) within the categories noted. *Tab 2 will be used to track COVID-19 costs and will not be added to your total invoice amount.*

Note: Service providers are required to track service adjustments at an individual level as this detail is required for departmental confirmation and validation on or before March 31, 2021. The detail will include adjustments at the service code level and any contextual/narrative information that is deemed helpful for the development of a collective understanding of service adjustments. **Nominal roll data is acceptable; however, any tracking process that would allow for individual level detail will be sufficient.** Service providers can also connect with their respective service delivery regions if they require additional support (such as templates) for detail submissions

Requirements for service providers that have incurred costs related to COVID-19 that are OUTSIDE their monthly approved invoice allocation (i.e. additional funding is required):

- On Tab 1 (Regular Invoice) – Identify the total amount of service provided per

individual (as per the normal invoicing process). This total should include the approved monthly amount +/- any additional amounts due to COVID. The Invoice Grand total will reflect all costs incurred by the service provider. The Budgeted Monthly Services Total is the approved monthly invoice allocation. The Variance (over/under) Budgeted due to COVID represents the difference between the Invoice Total and the approved monthly invoice allocation. For service providers that are outside of their allocation, the variance is expected to be a negative number.

- On Tab 2 (COVID-19) – Identify the ***lump sum dollar value*** of your COVID-19 costs within the INDIRECT and ANCILLARY categories noted.
- On Tab 2 (COVID-19) under the DIRECT SERVICES category, identify service adjustments/changes at an individual level. The Department recognizes service providers' may require additional time to reflect the 'actual direct services' provided to individuals through the invoice process. As a result, service providers continue to have the option of issuing correcting invoices during the fiscal year of the agreement to reflect actual services delivered by code, however service providers are encouraged to finalize their reporting through the invoicing process as soon as possible. This will support our ability to respond quickly to requests to accurately reflect COVID-19 related service changes and expenditures for a specific invoicing period.

Example: Individual A was approved for \$5000/month of service. Due to COVID-19, this individual temporarily requires \$6000/month of service. On Tab 1, Individual A is identified as receiving \$6000 of service (approved \$5000 + \$1000 due to COVID). On Tab 2 Individual A is identified as receiving \$1000/month of service.

Contract and procurement specialist will follow-up with service provider to ensure a common understanding of the both COVID-19 costs (Tab 2) and services delivered (Tab 1).

- Decision on Tab 2 provided within three to five business days.

The process is designed to be iterative and represents a response to an immediate need, reflective of our current environment. If those needs or the environment changes, the process will be updated.

This approach is designed to capture the **majority** of circumstances that service providers across the province may be experiencing.

For scenarios that may be unique, service providers are encouraged to

connect with their respective contract and procurement specialist and service delivery region for discussion and further guidance.