



The Office of Internal Performance Audit

Internal Audit Report

Contracts Audit

Contract Management of Personal Services Contracts

June 2020

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Contracts Audit
Contract Management of Personal Services Contracts**

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Letter of Transmittal

June 25, 2020

Portland Public Schools
Audit Committee
501 North Dixon Street
Portland, OR 97227

The Office of Internal Performance Audit has completed the Contracts Audit of school year 2018-2019 and 2019-20 Contract Management of Personal Services Contracts. The audit was included in the 2019-20 Audit Plan approved by the Board of Education on July 16, 2019.

The objective of the audit was to provide a comprehensive analysis of Portland Public Schools (PPS) contracts for personal services and determine whether the District is:

1. Compliant with District applicable policies and procedures
2. Compliant with the terms and conditions of the personal services contracts
3. Taking appropriate steps to implement a comprehensive and systematic approach to improve performance management of personal services contracts

To achieve the audit objectives, we judgmentally selected 18 personal services contracts for testing.

The breadth and scope of the District's personal services contracts is too diverse for the utilization of a sampling methodology. As a result, our audit results cannot be generalized to the population of the District's personal services contracts. However, due to the increased risks related personal services contracts for student services identified in the Oregon Secretary of State Audit Division (SoS) audit report, issued to the District in January 2019, we prioritized the selection of personal services contracts for student services. The full SoS audit report, as well as the status of the implementation of recommendations, is posted on the District's web site at: <https://www.pps.net/Page/15139>.

We provide additional details of our selection of contracts for testing, as well as some perspective of personal services contracts in relationship to all District contracts in the report's Appendix A - Contract Selection.

Auditing standards require that we obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Based on the results of the audit, overall the District is compliant with District applicable policies and procedures and the terms and conditions of the personal services contracts. We also found the District has taken steps, and continues to work on improving contract management of personal services contracts. However, our testing identified instances of noncompliance and we also found



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more needs to be done to implement a comprehensive and systematic approach to improve performance management of personal services contracts. The attached audit report details our audit procedures, audit findings, and recommendations.

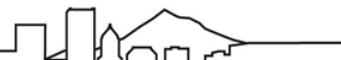
We extend our appreciation to the staff within the Purchasing & Contracting (P&C) department, as well as Contract Managers throughout the District for their assistance and cooperation during the course of the audit. We specifically want to mention our appreciation for Emily Courtnage, Director of P&C, and Erica Kreger, P&C's Contract Manager who were incredibly responsive to our request for information and documentation needed to complete the audit. They were also willing to collaborate and provide us feedback that added value throughout the audit.

Lastly, in an attempt to minimize the length of the report, if topic is explained in detail in one section, the topic is mentioned in brevity in the remaining sections of the report. As a result, we strategically ordered the content of the attached report and recommend reading it in the order listed in the table of contents.

We look forward to discussing the report with you at an upcoming Audit Committee meeting. Thank you for your ongoing support of the Office of Internal Performance Auditing.

Janise Hansen
Janise Hansen
Senior Internal Performance Auditor

Mary Catherine Moore
Mary Catherine Moore
Internal Performance Auditor



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Executive Summary

Background Information

In January of 2019, the Oregon Secretary of State Audit Division (SoS) issued an audit report on spending at Oregon Department of Education (ODE) and Portland Public Schools (PPS), which included a review of transparency, controls, and priorities. The audit identified additional steps these agencies could take to improve returns on the state's education investments and increase student achievement. While the report provided insight into a variety of topics, for the purposes of this audit, we focused on the portions of the report related to the District's personal services contract¹ management.

The SoS audit report included the following recommendations related to contract management:

- PPS should adopt policies and practices that ensure strong management of contract performance, including consolidating contract management responsibilities
- PPS should use the strategic planning process to evaluate the most effective and efficient use of contracts designed to increase student performance

Upon receipt of the SoS report, the District began working to implement the recommendations. The District reports progress on the implementation of the recommendations to the Audit Committee. In the December 2019 Audit Committee meeting, District Management reported the implementation of the two SoS recommendations noted above were completed.

In addition to the recommendations, the SoS audit report included comments throughout the report related to the District's contracting processes and procedures. Within the scope of the audit, we included those comments as well as follow up procedures we performed, to determine if the District has taken steps to address those comments as well as the recommendations. The full SoS report, as well as the status of the implementation of recommendations, is posted on the District's web site at: <https://www.pps.net/Page/15139>.

This audit was included in the Office of Internal Performance Audit's Audit Plan for 2019-20 school year. The Audit Plan was approved by the Board of Education on July 16, 2019.

Roles and Responsibilities

District management has the primary responsibility to establish, implement, and monitor internal controls. Internal Audit's function is to assess and test those controls in order to provide reasonable assurance that the controls are adequate and operating effectively. We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards (GAGAS, aka Yellow Book). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions

¹ PPS Public Contracting Rules – Revised May 2019, defines personal service contracts as a contract primarily for the provision of services that require specialized technical, creative, professional, or communication skills or talents, unique and specialized knowledge, or the exercise of discretionary judgement skills, and for which the quality of services depends on attributes that are unique to the service provider.



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based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Audit Objectives

The objective of the audit was to provide a comprehensive analysis of District contracts for personal services and determine whether the District is:

1. Compliant with applicable District policy and procedures
2. Compliant with the terms and conditions of personal services contracts
3. Taking appropriate steps to implement a comprehensive and systematic approach to improve performance management of personal services contracts

Scope of the Audit

2018-19 and 2019-20 Contract Management of Personal Services Contracts

Audit Approach and Methodology

To achieve the audit objectives, we performed the following procedures:

- Planned the audit in cooperation with the Purchasing & Contracting (P&C) department to ensure that we had an understanding of the District's contracting processes, policies and procedures
- Analyzed available data to corroborate the information obtained during our walkthroughs
- Reviewed applicable Oregon Revised Statutes (ORS) and the PPS Public Contracting Rules – Revised May 2019
- Drew on criteria from the Oregon Department of Administrative Services
- Interviewed purchasing and contracting staff, as well as Contract Managers knowledgeable of the various processes that were covered during the course of the audit
- Reviewed the training slides for the 2018-19 and completed the 2019-20 mandatory contracting training course developed by the P&C department
- Reviewed the content available on the P&C department webpage
- Performed tests and analysis of the objective areas to support our conclusions
- Protected student data and identities throughout the course of the audit
- Provided a detailed analysis of our selection of contracts for testing in Appendix A- Contract Selection

Conclusion

Based on the results of the audit, overall the District is compliant with applicable District policies and procedures and the terms and conditions of the personal services contracts. We also found the District has taken steps, and continues to work on improving contract management of personal services contracts. However, our testing identified instances of noncompliance and we also found more needs to be done to implement a comprehensive and systematic approach to improve performance management of personal services contracts.



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We identified three key contributing factors to the noncompliance identified:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

The attached audit report details our audit procedures, audit findings, and recommendations.

A summary of our audit findings and recommendations are provided on the following pages.

We extend our appreciation to the staff within the P&C Department, as well as Contract Managers throughout the District for their assistance and cooperation during the course of the audit.



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Summary of Audit Findings and Recommendations

Finding 1 – Contracting Training Course

The contracting training course required to be completed by all District staff who managed or work with contracts was not always completed by the established training deadline.

Recommendations

We recommend the District:

1. Re-evaluate internal controls to ensure all District staff who manage or work with contracts complete the mandatory contracting training course prior to the established deadline
2. Maximize the benefit of the contracting training course, by requiring the training course applicable for the contract term, to be completed by applicable District staff prior to initiating the contract
 - a) To achieve this, we recommend the District consider changing the deadline for the required training course to August 1st, of the applicable year

Finding 2 – Review and Evaluation

The required review and evaluation of the contract performance was not always completed by the Contract Manager prior to initiating a similar contract with the contractor.

Recommendations

We recommend the District:

3. Develop and implement internal controls that will ensure a thorough and robust review and evaluation of the contracts performance is completed and documented prior to deciding whether or not a similar contract should be negotiated in the future

To achieve this, we recommend the District consider the following:

- a) Update the contracting training course to include additional guidance and expectations related to review and evaluations
- b) Utilize the content of the Board Cover Memo to create a template for Contract Managers to document the review and evaluation for all contracts
- c) Require the review and evaluation be reviewed and approved by the Contract Manager's supervisor and submitted to the Purchasing & Contracting Department for record keeping
- d) Increase transparency by saving all review and evaluations in a central and accessible location so they can be easily accessed and reviewed by stakeholders

Finding 3 – Scope of Work

The Specialized Scope of Work (SOW) template, developed in response to the Secretary of State's (SoS) audit report recommendation, designed to help Contract Managers identify and included appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract, was not required to be completed or included in the contract as the SOW. We



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found it was not completed or included in any of the contracts we tested when it would have been applicable. Additionally, we found the Specialized SOW template was not an effective tool as the 2019-20 school year SOW for contracts that were previously tested in the SoS audit had no substantive changes.

Recommendations

We recommend the District:

4. Develop and implement internal controls that will ensure all contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract

To achieve this, we recommend the District consider:

- a) Require the use of the Specialized SOW template
- b) Require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract
- c) Increase transparency by saving the completed Specialized SOW template in a central and accessible location so they can be easily accessed and reviewed by stakeholders

Finding 4 – Mandatory Training Requirements for Contractors

Mandatory training requirements for contractors were not included consistently in contracts that require contractors and their employees to interact with students. We also noted an exception was granted to exclude the mandatory training requirements for contracts for interpretation services which is not consistent with District policy.

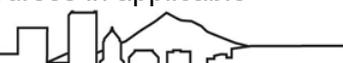
Recommendations

We recommend the District:

5. Provide an update to the PPS Board of Education (Board) to communicate the District's phased implementation of the requirement and the delay in full implementation
6. Develop and implement internal controls to ensure all mandatory training courses are included in all contracts that require interactions with students

To achieve this, we recommend the following:

- a) District Management develop detailed guidance and expectations related to the mandatory training requirement for contracts that require contractors and their staff to interact with PPS students
- b) The P&C Department communicate the detailed guidance and expectations to Contract Managers throughout the District
- c) Update the contracting training course to include guidance and expectations related to the inclusion of the mandatory training courses in applicable



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contracts; including if or when exceptions can be made and the process for obtaining an exception

- d) Establish a clear and mandatory channel of communication between the P&C department and Contract Managers (in addition to the annual contracting training course) to communicate and distribute guidance and expectation for Contract Managers on topics related to contracting

Finding 5 – Completion of Mandatory Training Requirements for Contractors

The District did not obtain evidence that the mandatory contractor training courses were completed by the contractor and their employees as required by the contract.

Recommendations

We recommend the District:

7. Develop and implement internal controls to ensure the District obtains evidence that the contractors and their employees have completed the mandatory training course as required in the contract.

To achieve this, we recommend the District consider the following:

- a) Develop adequately detailed guidance and expectations and communicate that content with Contract Managers
 - o When developing the guidance and expectations, take into consideration the increased workload for Contract Managers to ensure compliance
- b) Include the list of mandatory training courses in applicable RFPs (or ITB)²
- c) Consult with the Office of Technology & information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email addresses for the contractor and their staff to access the training courses in Pepper PD³

Finding 6 – Evidence of Deliverables and Contract Monitoring

The District did not always obtain evidence of deliverables identified in the SOW were achieved/delivered. Furthermore, for some reports that were obtained as evidence of deliverables, we found:

- Not all reports obtained included the required information
- Not all reports obtained agreed with District data
- Not all of the required reports were obtained (i.e. one or two of the required four reports were not obtained)

We also found Contract Managers relied on the content in reports from contractors and did not apply appropriate contract monitoring methods to ensure reports, obtained as evidence of deliverables, were accurate and complete.

² Request for Proposal (RFP), Invitation to Bid (ITB)

³ Pepper PD is the District's online professional development/training system



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Recommendations

We recommend the District:

8. Develop and implement internal controls that will ensure:
 - Evidence of deliverables identified in the SOW are achieved/delivered, and
 - Reports obtained by the District as evidence of deliverables include all required information, agreed with District data, and all required reports are obtained (i.e. all four of the four reports are obtained)
9. We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed.

Finding 7 – Release of Information (ROI)

While it appears highly likely that the contractors had obtained signed ROI forms, authorizing the release of student information to the contractor, the District released some student information to the contractor before they had received the signed ROI form from the contractor. Additionally, we noted the requirement for the contractor to provide a signed ROI form authorizing the District to release student information to the contractor appears to be limited to one portfolio of contracts. The District does not have an established criteria that determines whether or not a signed ROI is required.

Recommendations

We recommend the District:

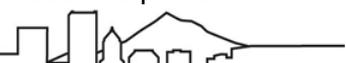
10. Develop and implement internal controls that will ensure the District has received a signed ROI form prior to releasing any student information and continue to prioritize obtaining ROI forms, until a signed ROI form is obtained for each student.
11. Perform and document an analysis of the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.
 - a) We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis.
12. Develop a clear criteria for determining when a signed ROI form is required.
13. Develop and implement internal controls that will ensure the consistent application of a signed ROI form in applicable contracts.
 - a) To achieve this we recommend the District consider providing Contract Managers with training that will detail guidance and expectation to ensure they have an adequate understanding of the criteria for which a signed ROI form is required and the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.

Finding 8 – Payments to Contractors

Payments made to contractors were not always made timely as required in the contract. The delay in payments could represent a barrier to contracting with the District for contractors who may not have the ability to sustain operations for extended amounts of time without timely payment.

Recommendations

14. We recommend the District review contract payment processes and procedures for



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process improvements and efficiencies to ensure payments to contractors are made timely as required in the contract. Additionally, we recommend the District document the date the invoice was received.

15. We also recommend the District consider centralizing the receipt of contract invoices.

Finding 9 – Key Contributing Factors to Noncompliance

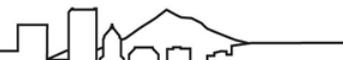
We identified three key contributing factors that appear to be the root cause for the noncompliance we identified in our testing detailed throughout the report. There is:

- A lack of detailed guidance and expectations of contract management responsibilities
- Inadequate supervision oversight of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

Recommendations

To ensure contract management responsibilities are being performed as expected, we recommend the District:

16. Develop and communicate detailed guidance and expectations related to contract management responsibilities.
 - a) To achieve this, we recommend the District consider identifying personal services contracts for student services as complex contracts and increase requirements for those contracts to include:
 - Development of an additional contract management training course that Contract Managers of complex contracts are required to complete prior to initiating the contract
 - Require complex contracts include a contract administration plan (similar to that used by the State of Oregon) that is reviewed and approved by the Contract Manager's supervisor and submitted to P&C for recordkeeping
17. Develop and communicate oversight of contract management responsibilities, including how performance of contract management responsibilities will be evaluated.
 - a) To achieve this, we recommend the District consider updating position descriptions to include contract management responsibilities and include an evaluation of the performance of these responsibilities in the staff member's annual performance evaluation
18. Prior to assigning a Contract Manager, supervisors of the proposed Contract Manager should evaluate the positions' other roles and responsibilities to ensure those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions.



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Objective 3 – Conclusion

We determined while the District has taken steps, and continues to work to improve contract management of personal services contracts with educational partners, we found more needs to be done for improvement in both effectiveness and compliance.

Recommendation

19. We recommend the District take additional steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts.
 - a) To achieve this, we recommend the District consider scaling the District's comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ Partnership contracts to include all of the District's personal service contracts with educational partners
20. To address the SoS audit's call for increased transparency and oversight for the District's contracts we recommend the District consider publicly posting the review and evaluation of contracts (via the Board Cover Memo) and the SOW for contracts listed on the Board agenda for Board approval. This could increase transparency in contracting decisions while still safeguarding the majority of the content related to contractor payments.



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Audit Objective 1: Compliance with applicable District policies and procedures

Overview

Contract management at the District is a decentralized function. Individual Contract Managers in each school and department are responsible for ensuring compliance with the District's contracting policies and procedures. The central Purchasing and Contracting (P&C) Department is responsible for reviewing compliance and providing support to Contract Managers. An overview of the P&C Department and Contract Manager roles and responsibilities for ensuring compliance with District policies and procedures for personal services contracts is provided below.

Purchasing & Contracting Department

The P&C Department is responsible for reviewing compliance with public contracting law, PPS Public Contracting Rules, and internal policy and practices before approving and signing all contracts District-wide. (Contract processing and review is only one of the functions of the P&C Department. Other functions include leading all formal solicitations for goods, services, and construction; review and oversight of all purchasing functions including purchase orders, IT purchasing, and management of PPS's eCommerce system and vendors; management and oversight of the District's PCard program; and ensuring District-wide compliance with the District's Equity in Public P&C policies.)

P&C department contracting activities include, in part:

- Creating and updating templates for all contract types
- Training District staff on when and how to initiate contracts, draft scopes of work (SOW), fill in contract templates and approval forms, and submit contracts for approval
- Creating and updating an annual mandatory contracts training course that must be taken by all District staff involved in contract creation and management before their contracts will be processed; and ensuring compliance with training requirements
- Reviewing all contracts, including in part:
 - Ensuring budget review is signed off
 - Ensure proper procurement method was used for type and amount of contract
 - Determine appropriate classification – independent contractor or employee – for all personal services scopes
 - Route all contracts over \$150,000 for Board approval
 - Ensure contract is complete with clear and concise information and a detailed SOW; provide guidance and advice if contract does not suffice
 - Sign contract after all review and compliance checks are complete

Contract Manager

Compliance with District policy and procedures for the management of personal services contracts is the responsibility of each Contract Manager. Typically, principals are the Contract Managers if the contract is managed in a school. When a contract is being managed by a central department, the Contract Manager is typically a manager or more senior level staff member. We noted there are approximately 145 individual staff members identified as a Contract Manager of one or more personal services contracts during the 2018-19 school year; and although complete



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data for the 2019-20 school year is not available we noted no significant change number of Contract Managers for the 2019-20 school year.

Contract management responsibilities are communicated to Contract Managers in the mandatory contracting training course developed by the P&C Department. All principals, department directors, senior directors, confidential executive assistants, principals' secretaries, school bookkeepers, business managers, and other District staff who manage or work with contracts must take the annual contracting training course. The P&C Department also provide a variety of templates, forms, and guides on the P&C web page to assist Contract Managers in fulfilling their responsibilities.

We reviewed the contracting training course and noted some contract management responsibilities are discussed in detail. Some of the contract management responsibilities as detailed in the training are included in Appendix B – Contracting Training Course.

We noted the 2019-20 contracting training course does not identify or provide guidance to Contract Managers related to the following new items for the 2019-20 school year:

- Specialized SOW template⁴
- Board Cover Memo template

The Specialized SOW and the Board Cover Memo templates were developed and in response to recommendations made in the SoS' audit report issued in January 2019. The District's response to the SoS audit report states, in part:

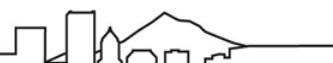
A Specialized SOW template will be developed for instructional and student services contracts that will help contract managers identify and include appropriate performance measures and reporting requirements tailored to the particular contract; and a Board Cover Memo template for instructional and student services contracts will be developed to help the Board more easily evaluate contracts on the business agenda.

Both templates were developed and posted on the P&C department's web page under Contract Templates in March 2019; the P&C Department updates these and other templates throughout the year.

Additionally, we noted the 2019-20 contracting training course does not identify or provide guidance to Contract Managers related to the implementation of mandatory training requirements for contractors.

In a memo to the Board of Education (Board), dated October 29, 2019, District Management reported all contracts with community partners who work with PPS students are required to complete the mandatory training modules required of District staff. The memo also states that

⁴ The Specialized SOW template is formally titled the Student, Instructional, and Family Engagement Service Contracts: Scope of Work and Performance Requirements template. We refer to this template as the Specialized SOW template throughout the report.



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compliance is monitored through the District's online professional development/training system (Pepper PD).

We discussed the mandatory training requirements for contractors with a member of the Office of General Counsel leading the District's implementation of this requirement. They stated the District was taking a phased implementation approach to this requirement. For the 2019-20 school year, they worked with individual Contract Managers to include the mandatory training requirements for contractors in contracts that were managed centrally by District administrative staff. The mandatory training requirements for contractors would be required for all applicable contracts for the 2020-21 school year.

Auditor Testing

To determine compliance with District policies and procedures for the management of personal services contracts, we tested 18 personal services contracts for the following attributes:

- Was the contract approved by all of the applicable parties (i.e., P&C Department, Contractor, Budget Holder, and if over \$150,000, the Board)
- Did all staff who manage or work with contracts take the required contracting training course prior to the established deadline
- Did the Contract Manager perform a review and evaluation of the contracts performance before deciding whether to contract for similar services again
- Was the Specialized SOW template included as the SOW for applicable contracts
- Did the SOW include detailed and specific deliverables, performance measures, expected outcomes, and how the performance will be measured
- Was a Board Cover Memo template prepared and submitted to the Board for applicable contracts
- Was the mandatory training requirement for contractors included in the contract (if applicable)

We noted some overlap in determining compliance with District policies and procedures (Objective 1) and determining compliance with the terms and conditions of the contract (Objective 2). For example, to comply with District policies and procedures, the Contract Managers are required to ensure compliance with the contract terms; consequently, noncompliance with the terms and conditions of the contract would also result in noncompliance of District policy and procedures. For the purpose of organizing the audit report, we are presenting the above listed testing attributes and the audit results below as part of Objective 1 testing for compliance with applicable District policies and procedures.

Audit Results

The results of the testing of 18 personal service contracts for each of the testing attributes identified is listed below. Overall, we found the District is compliant with its policies and procedures for personal services contracts. However, we noted some instances of noncompliance. Where noncompliance was noted, a finding is referenced where additional details can be reviewed.

- All contracts reviewed were approved by all applicable parties (i.e., P&C Department, Contractor, Budget Holder, and if over \$150,000, the Board)



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- The contracting training course was not completed by all required staff prior to the established deadline. See details in **Finding 1 – Contracting Training Course**
- The Contract Manager did not always perform a review and evaluation of the contract performance before deciding whether to contract for similar services again. See details in **Finding 2 – Review and Evaluation**
- The Specialized SOW template was not included in applicable contracts as the SOW. See details in **Finding 3 –Scope of Work**
- The SOW included in the contracts did not always include detailed and specific deliverables, performance measures, expected outcomes, and how performance of the contract will be measured. See details in **Finding 3 –Scope of Work**
- The Board Cover Memo template prepared and submitted to the Board for all applicable contracts.
- Mandatory training requirements for contractors were not included consistently in applicable contracts. See details in **Finding 4 – Mandatory Training Requirements for Contractors**



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Finding 1: Mandatory Contracting Training Course

Overview

Typically, the P&C Department management pull the prior year training course out of Pepper PD during the month of July to make updates for the following year. The updated training is then typically posted in August. For example, the updated contracting training course for the 2019-20 school year was made available in Pepper PD on July 22, 2019.

The contracting training course is required to be completed by all staff who manage or work with contracts by an established deadline. The 2018-19 contracting training course was required to be completed by November 5, 2018, and 2019-20 training course was required to be taken by October 1, 2019.

The deadline to complete the required training course posted on the P&C Department web page under Announcements and Updates. The announcement posted for the 2019-20 training course states:

Beginning October 1, 2019, Purchasing & Contracting will not process any contract unless the PPS Contract Manager, school/department contact person, and budget holder have taken and passed the 2019-20 course. If you submit a contract but have not taken the training, you will receive an email reminder to do so. The contract will be returned unprocessed if the training has not been completed within one week of submission.

We tested to determine if all staff who manage or work with the 18 contracts selected for testing completed the training by the applicable deadline.

Of the 36 of staff who manage or work with the 18 contracts selected for testing, 20 (56 percent) did not take the training by the identified deadline for either 2018-19 or 2019-20. We noted three of those 20 staff members took the 2018-19 training by the required deadline; however, had not completed the 2019-20 training as of February 25, 2020.

To receive the maximum benefit of the contracting training course, applicable staff would need to take the applicable training prior initiating the contract (i.e., the 2018-19 training if negotiating a contract that will be effective for the 2018-19 school year, or the 2019-20 training if negotiating a contract that will be effective for the 2019-20 school year). Of the 36 staff who managed or worked with the 18 contracts selected for testing, 24 (67percent) had not taken the training that would be applicable for the term of the contract as of the date the contract received its final approval and was signed by P&C Department staff.

In our discussions with P&C Department staff, they described their internal controls in place to ensure they do not process contracts after the contracting training course deadline if the applicable staff members have not completed the contracting training course. However all but two of the tested 18 contracts included in our testing, were processed and approved by P&C prior to the applicable year's deadline for the contracting training course.

It appears, if a contract is approved prior to the deadline there is no, or less, incentive for the applicable staff to take the contracting training course by the established deadline because their contract is already approved. Further there is a reduced benefit to the training if the contract has



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already been approved. The internal controls described by the P&C Department would be effective for only those contracts that are submitted to P&C for processing after the established deadline.

To gain additional perspective, we reviewed contracts data for the 2018-19 school year. We found 774 personal services contracts with effective dates during the 2018-19 school year (between July 1, 2018 and June 30, 2019). Of those 774 contracts, 276 (approximately 36 percent) had a “date signed” date before the November 5, 2018 deadline. Of those same 774 personal service contracts, we found only 32 (approximately 4 percent) with a signed date before August 1, 2018.

It appears the P&C Department’s internal controls to ensure District staff who manage or work with contracts complete the required contracting training course would be significantly more effective if the deadline to complete the contracting training course was August 1st of the applicable year. This would also increase the benefits of the training for staff who manage or work with contracts as the likelihood that they would be required to take the training prior to initiating the contract would be increased.

Conclusion

The contracting training course required to be completed by all District staff who managed or work with contracts was not always completed by the training deadline. Twenty of the 36 District staff members who manage or work with the 18 personal service contracts we tested did not complete the contracting training course by the established deadline.

Recommendations

We recommend the District:

1. Re-evaluate internal controls to ensure all District staff who manage or work with contracts complete the mandatory contracting training course prior to the established deadline.
2. Maximize the benefit of the contracting training course, by requiring the training course applicable for the contract term, to be completed by applicable District staff prior to initiating the contract.
 - a) To achieve this, we recommend the District consider changing the deadline for the required training course to August 1st of the applicable year.

We noted requiring the training course to be completed by August 1st of the applicable year or prior to the initiation of the contract could present challenges for the District, as requiring training to be completed during the summer months can be difficult. An alternative may be to require the training to be completed before the summer break. When considering the 774 personal services contracts with effective dates between July 1, 2018 and June 30, 2019, only one had a signed date before July 1, 2018. This could potentially increase the effectiveness of internal controls already in place to nearly 100 percent.



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Finding 2: Review and Evaluation

Overview

Contract Managers are required to complete a review and evaluation of the contract's performance before deciding whether or not a similar contract should be negotiated in the future.

The contracting training course provides Contract Managers guidance and expectations related to review and evaluations. See additional details in Appendix B – Contracting Training Course.

Of the 18 contracts selected for testing, five were first time contracts, the remaining 13 required a review and evaluation of the prior contracts performance, prior to determining whether or not to contract for the services again. We tested the 13 contracts that required a review and evaluation and found:

- Seven contracts had a review and evaluation completed as evidenced by the details included in the Board Cover Memo.
- Three contracts had a review and evaluation completed as evidenced by an end of year report. One of the end of year reports was very clear and concise and clearly detailed each of the contract's performance measures and the results of each. The other two were less detailed and did not clearly identify the contract's performance measures and related results.
- One Contract Manager was able to provide emails from TOSAs⁵ that detailed the progress made by students who had received the contractor's services. However, there were no details related to contracts performance measures or whether the contractor had achieved them.
- A review and evaluation had not been completed for two contracts.

As evidenced by the documentation we reviewed in our testing, when a contract exceeds \$150,000 and thus requires Board approval, the requirement of the Board Cover Memo helps ensure a thorough and robust review and evaluation is completed and documented.

Of the two contracts where a review and evaluation was not completed, we noted one exceeded \$150,000 and required Board approval; that contract was signed prior to the development and implementation of the Board Cover Memo in March of 2019.

Conclusion

The required review and evaluation of the contract performance was not always completed by the Contract Manager prior to initiating a similar contract with the contractor. Of the 18 contracts selected for testing, only 13 required a review and evaluation of the contracts prior performance before contracting for the services again. There was evidence of a review and evaluation of eight contracts of the 13 contracts we tested. For an additional three of those 13 contracts, the Contract Manager provided documentation they had considered a review and evaluation, however we found documentation for two of the three lacked adequate details and did not clearly identify the contract's performance measures and whether the contractor had achieved them. For the remaining two of the 13 contracts, no review and evaluation was completed.

⁵ TOSA – Teacher on Special Assignment



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We identified three key contributing factors to the noncompliance identified related to review and evaluations:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendations

We recommend the District:

3. Develop and implement internal controls that will ensure a thorough and robust review and evaluation of the contracts performance is completed and documented prior to deciding whether or not a similar contract should be negotiated in the future. To achieve this, we recommend the District consider the following:
 - a) Update the contracting training course to include additional guidance and expectations related to review and evaluations
 - b) Utilize the content of the Board Cover Memo template to create a template for Contract Managers to document the review and evaluation for all contracts
 - c) Require the review and evaluation be reviewed and approved by the Contract Manager's supervisor and submitted to the P&C Department for record keeping
 - d) Increase transparency by saving all review and evaluations in a central and accessible location so they can be easily accessed and reviewed by stakeholders



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Finding 3: Scope of Work (SOW)

Overview

In response to the recommendations made in the Secretary of State's (SoS) audit issued in January 2019, the District developed the Specialized SOW template. The template was created and posted to the P&C department website under Contract Templates in March of 2019.

The website states the Specialized SOW template is for contracts originating in the central office and involving the provision of direct, ongoing, and intensive instructional and support services (e.g., mentoring, after-school programming, and family outreach services) to students and their families with the goal of raising student achievement.

Of the 18 contracts selected for testing, 12 were contracts originated in the central office and involved the provision of direct, ongoing, and intensive instructional and support services (e.g., mentoring, after-school programming, and family outreach services) to students and their families with the goal of raising student achievement, and were negotiated after March 2019. We tested these 12 contracts and found the template was not completed and included in the contract as the SOW in any of the 12 contracts.

We discussed the use of the Specialized SOW template with the P&C department management. Per P&C department management, the use of the template was not required. Instead, the template was considered a tool that could be used to help Contract Managers identify and include appropriate performance measures and reporting requirements tailored to the particular contract.

While the Specialized SOW template was created, its use was not required, and it was not completed and included in any of the 12 applicable contracts we tested. We noted it was possible that Contract Manager's had considered the Specialized SOW template a tool and even though the template had not been completed and included in the contract; it could have helped the Contract Managers identify and include appropriate performance measures and reporting requirements tailored to the particular contract. As a result, we expanded our testing to include additional analysis of the SOW included in the contracts of all 18 of the contracts we tested.

It is important to note that the Office of Internal Performance Audit staff who conducted this testing are not instructional or student services subject matter experts, or specialists in education, and will not consider/determine the appropriateness of the performance measures and reporting requirements included in the contract. We limited our testing to determine if the contract included specific deliverables, performance measures, expected outcomes, and how performance of the contract will be measured.

Four of the 18 contracts we tested were the 2019-20 school year version of contracts where the 2017-18 school year version of the contract was included in the testing performed by the SoS audit. For these four contracts, we also considered whether there had been any substantive change to the SOW in response to the risks identified in the SoS report.

Of the 18 contracts tested, all 18 included specific deliverables, and 17 of the 18 included performance measures, expected outcomes, and included how performance of the contract will



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be measured. We noted in our testing the level of detail included in the contracts varied greatly. We included a summary of the specific deliverables, performance measures, expected outcomes, and how the performance of the contract will be measured for each of the 18 contracts in Appendix C - Summary of Scope of Work.

Additionally, for the four contracts that were the 2019-20 school year version of the 2017-18 school year contract tested in the SoS audit, we noted there was no substantive changes from the SOW included in the 2017-18 school year contract and the SOW for the 2019-20 school year contract.

Conclusion

We determined the Specialized SOW template not completed and included in any of the 12 contracts we tested where its use would have been applicable. The SOW of all 18 contract tested included specific deliverables, and 17 of the 18 included performance measures, expected outcomes, and included how performance of the contract will be measured. Additionally, for the four contracts that were the 2019-20 school year version of the 2017-18 school year contract tested in the SoS audit, we noted there was no substantive changes from the SOW included in the 2017-18 school year contract and the SOW for the 2019-20 school year contract.

We noted no evidence that the Specialized SOW template designed to help Contract Managers identify and include appropriate performance measures and reporting requirements tailored to the particular contract was effective. However, the value of the template may be related to helping the Contract Managers ensure the appropriateness of specific deliverables, performance measures, expected outcomes, and how the performance of the contract will be measured, which we did not test for. Additionally, we noted the template includes a place for the Contract Manager to identify the estimated cost per student served which could have been a valuable data point for the District to collect, and was not identified in any of the 18 contracts we reviewed.

We identified three key contributing factors to the noncompliance identified related to the SOW:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendations

We recommend the District:

4. Develop and implement internal controls that will ensure all contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract. To achieve this, we recommend the District consider:
 - a) Require the use of the Specialized SOW template. If the template is not used in the contract as the SOW, the template could be used as a summary work paper



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that clearly identifies the contract's specific deliverables, performance measures and expected outcomes, and how performance of the contract will be measured

- b) Require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract
- c) Increase transparency by saving the completed Specialized SOW template in a central and accessible location so they can be easily accessed and reviewed by stakeholders



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Finding 4: Mandatory Training Requirements for Contractors

Overview

In a memo to the Board of Education (Board), dated October 29, 2019, District Management reported to the Board that all contracts with community partners who work with PPS students are required to complete the mandatory training modules, same as required of District staff. The mandatory training courses are:

1. Child Abuse Prevention and Identifying Homeless Youth (Course Code: PC 1004)

This training includes the below two part online training courses. In order to receive a certificate of completion, you must complete both parts.

- **Prevention of Child Abuse:** The training is required annually and is designed to help adults know how to prevent, recognize and react responsibly to concerns of mental, physical and sexual abuse of a child. (*Approximately 20 minutes*)
- **Identification of Homeless Youth (Title X):** This training provides adults with an overview of and description of responsibilities for the educational rights of homeless children and youth who are protected by the federal McKinney-Vento Homeless Assistance Act's Education of Homeless Children and Youth Program (*Approximately 5 minutes.*)

2. Sexual Conduct-Staff to Student: This training helps school officials, teachers and other staff recognize and understand adult sexual misconduct as it occurs in school settings. It describes the most common behaviors that constitute sexual misconduct and provides examples of appropriate and inappropriate communications and conduct of Portland Public Schools employees. (*Approximately 31 minutes.*)

3. Prevention of Workplace Discrimination, Harassment, Bullying and Retaliation Training (Course Code: PC1002) is designed to provide an overview of discrimination, harassment, bullying and retaliation in the work place and how to prevent them. It will also inform employees about prohibited areas of harassment that are unlawful and inappropriate conduct based on a protected status. (*Approximately 60 minutes.*)

4. Emergency Preparedness Training (Course Code: PC1003) supports all employees by preparing them to respond to a variety of emergency situations. (*Approximately 45 minutes*)

The District will provide all contractor employees working directly with students with an individual PPS email account that will give contractor staff access to the training via the District's professional development site. Contractors must submit the names and emails of all relevant contractor staff to the Contract Manager to activate their email accounts. Once accounts are activated, the contractor employees have 30 days to complete the mandatory training.

The District has taken a phased approach to the implementation of mandatory contractor training requirements. Per the member of the Office of General Counsel leading the District's implementation of this requirement, for the 2019-20 school year, they worked with individual Contract Managers to include mandatory training requirements in contracts that were managed centrally by District administrative staff. The mandatory training courses requirement would be required for all contractors and their employees who interact with PPS students in the 2020-21 school year.

Of the 18 contracts that were selected for testing:



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- Six contracts were either not managed centrally by District administrative staff, negotiated prior to the implementation of the requirement, or for services that required no interaction with PPS students. As a result, these six contracts would not be required to include the mandatory training courses.
- Six contracts included the requirement that the contractor and their employees complete each of the four mandatory training courses.
- Four contracts were for services to be provided in the summer of 2019. We noted the mandatory training requirements were not included in any of these four contracts.
- One contract included the requirement of only one of the four required training courses.
- One contract did not include any of the mandatory training courses despite meeting the criteria identified for implementation for the 2019-20 school year contract.

Guidance related to the inclusion of the mandatory training courses for the four contracts that were for services provided in the summer of 2019 is unclear. The exclusion of the training courses could have been because they were for services prior to the beginning of the 2019-20 school year. We noted these contracts were signed by the District in either June or July of 2019 and other contracts signed during this time period included the training requirements. We inquired with the Contract Managers of these contracts to ask if including the mandatory training courses was considered. The Contract Managers stated they had not considered the inclusion of the training requirements stating prior to discussing the mandatory training courses with us (conversations took place between December 2019 and February 2020), they had not received any communication or guidance from the District on the topic.

Implementation of the Mandatory Training Requirements for Contractors

As previously stated, District Management reported in a memo to the Board, dated October 29, 2019, that all contracts with community partners who work with PPS students are required to complete the mandatory training courses required of District staff. The memo seems to indicate the District has implemented the training requirement for applicable contractors and does not explain the District phased implementation approach.

When the District implements a new policy or procedure requirement related to contracting, we would expect District Management to work with the P&C Department to create detailed guidance and expectations. The P&C Department would then communicate out the detailed guidance and expectations to Contract Managers throughout the District. However, this did not happen in this situation. We noted the 2019-20 school year contracting training course did not mention the new requirement; and as of the end of February 2020, we noted the no detailed guidance and expectations related to the implementation requirement had been prepared and communicated to Contract Managers throughout the District.

Instead, we found a member of the District's General Counsel Office leading the District's implementation of this requirement did not communicate the new requirements to the P&C Department for dissemination of guidance and expectations to Contract Managers. The member of the District's General Counsel Office stated they had worked with individual Contract Managers of contracts managed centrally by District administrative staff to implement the training requirements for the 2019-20 school year contracts. However, in our testing, we noted this communication had only taken place with one of the six Contract Managers who are District administration staff that manage contracts where contractors and their employees interact with



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PPS students. The six contracts that included the mandatory contractor training requirement are all managed by that one Contract Manager.

During our audit (February 2020), we were included in an email a Contract Manager sent to the member of the District's General Counsel Office where they were seeking guidance as to whether the mandatory training requirements for contractors was applicable for contracts for interpretation services. We are aware that the member of the District's General Counsel provided this Contract Manager guidance stating the mandatory training requirement for contractors is not required for contracts for interpretation services because the interpreter does not have unsupervised interactions with a student. This guidance is not consistent with the District's policy.

Board Policy 5.10.064-P, Professional Conduct Between Adults and Students states:

Adults are required to complete annual training provided by the District on sexual conduct prevention to provide guidance and establish appropriate professional boundaries for student-adult interactions.

The policy defines "adults" as:

"Adults" include any and all District employees, coaches, substitutes, contracted service providers, and volunteers in their interactions with students in District schools and programs.

Board Policy 5.10.064-P, does not provide an exception for adults that do not have unsupervised interactions with students.

However, the policy only addresses training on sexual misconduct prevention and providing guidance and establish appropriate professional boundaries for student-adult interactions. As a result, there may be more flexibility for the District to make exceptions for the other mandatory contractor training courses that are not addressed by District policy.

Subsequent to completing our testing, we received an update of the member of the Office of General Counsel leading the implementation for the mandatory contractor training requirement.

They stated the primary focus of their implementation for the 2019-20 school year was to ensure the mandatory contractor training requirements were included in the District's larger contracts with nonprofits doing direct service work with PPS students and their families.

Although we did not test to determine whether the mandatory contractor training requirements were included in all of these types of contracts, our testing did include six contracts that would meet this definition. As noted above, those six contracts did include the mandatory contractor training requirements.

The member of the Office of General Counsel leading the implementation for the mandatory contractor training requirement also stated during the course of the 2019-20 school year the



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team working on the implementation of this requirement realized the complexity of the implementation of this requirement. For example:

- A contractor may have their own training that cover the content included in the District's sexual conduct - staff to student and the child abuse prevention training courses in a more robust way.
- A contractor may be brought in to do two hours of work in a class where they would be supervised by the teacher during any interactions with students.

For these contractors, the District needs additional time to consider the contractors training courses to determine whether an exception to the mandatory training courses can be granted and how to incorporate this into guidance to Contract Managers.

The member of the Office of General Counsel leading the implementation for the mandatory contractor training requirement also explained the District recognized that there is a capacity issue given the number of contractors working with the District and the current PPS workforce able to dedicate the time and energy to ensuring proper oversight. As a result, the District is going to postpone the full implementation of the mandatory contractor training requirements until the 2021-22 school year.

Conclusion

Mandatory training requirements for contractors were not included consistently in contracts that require contractors and their employees to interact with PPS students. Further, we noted an exception was granted to exclude the mandatory training requirements for contracts for interpretation services which is not consistent with District policy.

We identified three key contributing factors to the noncompliance identified related to the mandatory training requirements for contractors and their employees who interact with PPS students:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendations

We recommend the District:

5. Provide an update to the Board to communicate the District's phased implementation of the requirement and the delay in full implementation.
6. Develop and implement internal controls to ensure all mandatory training courses are included in all contracts that require interactions with students. To achieve this, we recommend the following:



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- a) District Management develop detailed guidance and expectations related to the mandatory training requirement for contracts that require contractors and their staff to interact with PPS students
- b) The P&C Department communicate the detailed guidance and expectations to Contract Managers throughout the District
- c) Update the contracting training course to include guidance and expectations related to the inclusion of the mandatory training courses in applicable contracts; including if or when exceptions can be made and the process for obtaining an exception
- d) Establish a clear and mandatory channel of communication between the P&C Department and Contract Managers (in addition to the annual contracting training course) to communicate and distribute guidance and expectation for Contract Managers on topics related to contracting



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Audit Objective 2: Compliance with the terms and conditions of personal services contracts

Overview

The District's template for personal service contracts that is available in the Contract Forms section of the P&C Department webpage. The template includes a list of 24 standardized terms and conditions. Some of these include details on the following:

- Effective Date
- Invoicing and Payments
- Independent Contractor Status
- Early Termination
- Access to Records; Contractor Financial Records
- Ownership of Work Products
- Work Performance on District Property
- Unsupervised Contact with Students; Criminal Background Checks
- Confidentiality; Family Education Rights and Privacy Act "FERPA" Re-disclosure

In addition to the terms and conditions included in the contract template, each contract can include exhibits and/or may reference a Request for Proposal/Invitation to Bid/Quotes (RFP/ITB/Quotes). In these situations, the terms and conditions included in the exhibits and/or RFP/ITB/Quotes are included by reference in the contract.

The SOW is referred to in the contract template as an exhibit. The SOW typically includes more detailed and specific terms and conditions, including specific deliverables, performance measures, and how the performance of the contract will be measured.

As previously noted, to comply with District policies and procedures, Contract Managers are required to ensure compliance with the terms and conditions of the contract. As part of our testing for Objective 1, we tested to determine whether the required content was included in the contract. In our testing for Objective 2, we drilled down into each of the contracts we selected for testing to determine if the District was compliant with the detailed terms and conditions of the contract. For example, in our testing for Objective 1, we tested to determine if the mandatory training requirements for contractors was included in applicable contracts. In our testing for Objective 2, we tested to determine if the District obtained evidence that the required training courses were completed by the contractors and their employees.

Auditor Testing

To determine compliance with the terms and conditions of personal services contracts, we tested 18 personal services contracts for the following attributes:

- If applicable, did the District obtain evidence that the mandatory contractor training courses were completed by the contractors and their staff
- Did the District obtain evidence that the specific deliverables, included in the SOW, were achieved/delivered
- Was the work of the contractor performed within the effective date and end date of the contract



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- If applicable, was a Release of Information obtained by the District prior to releasing student information to the contractor
- Were payments made to the contractor in agreement with the terms and conditions identified in the contract
- Is there evidence to indicate the Contract Manager was evaluating the performance and outcomes of the contract throughout the contract term

Audit Results

The results for each of the tested attributes are listed below. Overall, we found the District is compliant with terms and conditions of personal services contracts. However, we noted some exceptions. Where exceptions were noted, additional details can be reviewed in the applicable finding listed below.

- The District did not obtain evidence that the mandatory contractor training courses, included in the contract, were completed by the contractors and their staff. See details in **Finding 5 – Completion of Mandatory Training Requirements for Contractors**
- The District did not always obtain evidence deliverables, identified in the SOW, were achieved/delivered. Additionally, for some reports that were obtained as evidence of deliverables, we found:
 - Not all reports obtained included the required information
 - Not all reports obtained agreed with District data
 - Not all of the required reports were obtained (i.e., one or two of the required four reports were not obtained)

We also found Contract Managers relied on the content in reports from contractors and did not apply appropriate contract monitoring methods to ensure reports, obtained as evidence of deliverables, were accurate and complete. See details in **Finding 6 - Evidence of Deliverables and Contract Monitoring**

- We found no evidence that contract work was performed outside the effective end date of the contract.
- A Release of Information form was not obtained by the District prior to releasing student information to the contractor. See details in **Finding 7 - Release of Information**
- Payments made to the contractor were not always timely as required in the contract. See details in **Finding 8 – Payments to Contractors**

As we concluded our testing for Objective 1 and Objective 2, we considered the root cause for the noncompliance we identified. We identified three key contributing factors:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

See additional details in **Finding 9 – Key Contributing Factors to Noncompliance.**



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Finding 5 – Completion of Mandatory Training Requirements for Contractors

Overview

As noted in Finding 4 – Mandatory Training Requirements for Contractors, of the 18 contracts selected for testing:

- One contract included the requirement of only one of the four required training courses
- Six contracts included the requirement that the contractor and staff complete each of the four mandatory training courses

We tested these seven contracts to determine if there was evidence that the mandatory contractor training courses were completed by the contractor and their staff.

We reviewed the terms and conditions of the one contract that included the requirement of one of the training courses. We noted the contract included the following, in part:

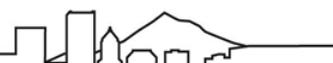
All interpreters retained by contractors will be required to complete the PPS Child Abuse and Sexual Conduct Reporting and Prevention trainings. This training will be provided by the District at no cost to the Contractor.

We requested evidence that all interpreters retained by the contractor had completed the PPS Child Abuse and Sexual Conduct Reporting and Prevention trainings. The Contract Manager stated they did not know that obtaining evidence that all interpreters had completed the training was required. As a result, the Contract Manager stated they had not obtained any evidence that the training course was completed by all interpreters.

We reviewed the terms and conditions of the six contracts that included the requirement that the contractor and staff complete each of the four mandatory training courses. We noted each contract included the following, in part:

The District will provide all contractor employees working directly with PPS students with an individual PPS email account that will give contractor employees access to the training via the District's professional development/training system. Contractors must submit the names and emails of all relevant contractor employees to the Contract Manager to activate their email accounts. Once accounts are activated, the contractor employees will have 30 days to complete the mandatory training.

We requested evidence that the six contractors and their employees had completed each of the four mandatory training courses. The Contract Manager for these six contracts stated they had recently (January 2020) obtained the assistance of an Administrative Secretary who had begun the process of collecting this evidence. We followed up with the Administrative Secretary who provided a Mandatory Training Tracking worksheet. The worksheet included a list of contract names, the contractor employee's names, and each of the four required training courses. When the certification of completion was obtained the worksheet was updated to indicate the certification of completion for the training course had been obtained. The Administrative Secretary also provided us with files containing each of the certification of completions that had been obtained.



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We reviewed the evidence provided and noted the following:

- Two of the six contracts were not listed on the Mandatory Training Tracking worksheet. The District had obtained no evidence these two contractors and their employees had taken the mandatory training courses.
- Three of the contracts were listed on the Mandatory Training Tracking worksheet and identified 58 contractor employees. The worksheet indicated none of the 290 certification of completions for these 58 contractor employees had been obtained.
- One contract listed on the Mandatory Training Tracking worksheet identified 11 contractor employees. We noted that one of the four mandatory training is two parts or courses test so there needs to be 55 certificates for all training. The worksheet indicated only 36 of the 55 certification of completion had been obtained for these 11 employees.

We reviewed the files containing each of the certification of completions that had been obtained and noted, as detailed in the Mandatory Training Tracking worksheet, the folder for one contract included the certification of completions that had been obtained. We located 35 of the 36 certification of completions identified on the worksheet as being received.

We obtained the documentation detailed above from the Administrative Secretary on March 10, 2020. We are aware the Administrative Secretary has continued to work to obtain evidence that each of the contractors and their employees have completed the mandatory training courses.

Conclusion:

The District did not obtain evidence that the mandatory contractor training courses were completed by the contractor and their employees as required by the contract.

We identified three key contributing factors to the noncompliance related to obtaining evidence that mandatory contractor training courses were completed:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendation:

We recommend the District:

7. Develop and implement internal controls to ensure the District obtains evidence that the contractors and their employees have completed the mandatory training course as required in the contract. To achieve this, we recommend the District consider the following:



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- a) Develop adequately detailed guidance and expectations related to the implementation of the mandatory contractor training requirements and communicate that content with Contract Managers
 - When developing the guidance and expectations, take into consideration the increased workload for Contract Managers to ensure compliance
- b) Include the list of mandatory training courses in applicable RFPs (or ITB)
- c) Consult with the Office of Technology & information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email addresses for the contractor and their employees to access the training courses in Pepper PD

Additional details and examples for the recommendations for consideration is included in Appendix D – Additional Information for Recommendation 7.



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Finding 6 – Evidence of Deliverables and Contract Monitoring

Overview

Evidence of Deliverables

The SOW included in contracts as an exhibit, typically includes the specific deliverables, performance measures, and how the performance of the contract will be measured. The deliverables vary by contract. A summary of the SOW deliverables, performance measures, and how the performance of the contract will be measured for each of the 18 contracts we selected for testing in Appendix C - Summary of Scope of Work.

For the 18 contracts selected for testing, we tested to determine if the District obtained evidence the deliverable was achieved/delivered per the terms and conditions of the contract. For each of the contracts we tested, we found that one or more reports from the contractor was considered the deliverable. As a result, we included testing of the reports for the attributes below:

- Did the report include the required information
- Did the report agree with District data
- Were all required reports received

Three of the 18 contracts we selected for testing were 2019-20 school year contracts and no deliverables were required yet at the time of our testing. As a result, we did not test for evidence of deliverables for these three contracts. The results for the remaining 15 contracts tested are listed below:

- For seven contracts, we found there was evidence to support the deliverable was achieved/delivered per the terms and conditions of the contract
- For one contract, we found there was no evidence to support the deliverable was achieved/delivered per the terms and conditions of the contract
- For the remaining seven contracts, we found inadequate evidence to support the deliverable was achieved/delivered per the terms and conditions of the contract

For the seven contracts where we found inadequate evidence, we found one or more of the following issues with the reports obtained from the contractor.

- The report did not include all of the required information – 4 contracts
 - For Example: The mid-year report did not include the outputs identified in the mid-year report template
- The report did not agree with the District data – 4 contracts
 - For example: The year-end report for one contractor included student Average Daily Attendance (ADA), Grade Point Average (GPA), and Discipline data. When compared to the data provided by the District for the report, the ADA, GPA, and Discipline data did not agree
- Not all of the required reports were received (i.e. one or two of the required four reports were not obtained) – 5 contracts

In addition to the issues identified above, at the time of our testing, (early March 2020) quarter one report, due in November 2019, and the mid-year report, due in February 2020, were past



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the due date for five 2019-20 school year contracts. At that time, the Contract Manager had only obtained one of those reports from one of those contractors.

We noted the contractors for those five contracts required data from the District in order to prepare the required reports. The District had not provided data to the contractors in time for the reports to be prepared and delivered to the District by the required deadline. More information related to this is included in Finding 7 – Release of Information.

Contract Monitoring

One of the Contract Manager responsibilities is to monitor the contract's progress and performance to ensure that goods and services conform to the contract requirements. The District's contracting training course provides the following guidance related to contract monitoring. See details in Appendix B – Contracting Training Course.

We used the evidence obtained above in the Evidence of Deliverables section to also conclude on whether there was evidence that the Contract Manager had monitored the contract's progress and performance. We concluded adequate contract monitoring procedures had not completed by the Contract Manager. The issues with the reports listed below would have been identified and addressed by the Contract Manager during the course of the audit if adequate contract monitoring procedures were completed.

In addition to the issues identified above, we found the Contract Manager relied on the information provided in the reports and adequate confirmation procedures were not performed.

Conclusion

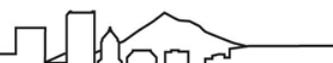
The District did not always obtain evidence of deliverables, identified in the SOW, were achieved/delivered. Furthermore, for some reports that were obtained as evidence of deliverables, we found:

- Not all reports obtained included the required information
- Not all reports obtained agreed with District data
- Not all of the required reports were obtained (i.e. one or two of the required four reports were not obtained)

We also found Contract Managers relied on the content in reports from contractors and did not apply appropriate contract monitoring procedures to ensure reports, obtained as evidence of deliverables, were accurate and complete.

We identified three key contributing factors to the noncompliance identified related obtaining evidence that deliverables included in the contract's SOW were achieved/delivered and the performance of adequate contract monitoring procedures:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected



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We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendations

We recommend the District:

8. Develop and implement internal controls that will ensure:
 - Evidence of deliverables identified in the SOW are achieved/delivered, and
 - Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained).
9. We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed.



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Finding 7 – Release of Information (ROI)

Overview

In our review of the 18 contracts selected for testing, we noted six contracts required the contractor to provide the District with a signed ROI form authorizing the District to share student information with the contractor. We noted each of these six contracts require the contractor to provide quarterly reports on the performance measures included in the contract. To prepare these reports, the contractors need the District to share student data with them.

In order for the District to share student information with the contractor, the contract states the contractor is required to:

Submit a roster of students that have signed releases to District Contract Manager in order to set up Synergy teams and ensure that all students have completed a registration packet including a release of information (See Exhibit C: Data Sharing)

We noted Synergy is the District's student information system. We reviewed the Exhibit C: Data Sharing referenced in the contract. Exhibit C detailed a three step process for acquiring Synergy access. Step three in the process states:

In order for PPS to share ANY student information, the District is required by law (FERPA) to have permission from the parents or guardians and all information must be transmitted confidentially.

- Compile all signed Release of Information (Exhibit C.3) forms and email to the email address included
- Use release forms to complete an excel spreadsheet – use the template included
- Email a request to the email address included and you will receive a link to a secure spreadsheet to transfer your students to
- All updates will take place online. With any updates, remember you MUST also email the included email address the completed and signed ROI

We noted the template for an excel spreadsheet was included. The excel worksheet included a section for the contractor to indicate a signed ROI form had been obtained. We also reviewed Exhibit C.3 – Permission to Release or Exchange Information referenced in Exhibit C. We noted Exhibit C.3 includes the following:

As Parent / Guardian / Surrogate Parent / Foster parent / or Adult Student (circle one), I authorize the release and exchange of confidential information between PPS the identified contractor and their evaluators.

The form goes on to state the information released to the contractor may include any or all of seven data points listed. The form also includes a place for the Parent / Guardian / Surrogate Parent / Foster parent / or Adult Student to sign and date the form.

We noted each of the six contracts that require the District to share student information with the contractor are managed by the same Contract Manager. We requested evidence that the District had obtained a signed ROI form prior to releasing any student information to the contractor. The



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Contract Manager explained the management of these contracts had been assigned to them for the first time in the 2019-20 school year. Due to the significant time required to manage these contracts, the assistance of another staff member was necessary.

The Contract Manager stated they had recently (January 2020) obtained the assistance of an Administrative Secretary who had begun the process of collecting this evidence.

We followed up with the Administrative Secretary who stated two of the contractors had not provided a roster of student names. As a result, no student information had been shared with those two contractors. One of the contractors had provided a roster of student names; however no student information had been shared with the contractor. The Administrative Secretary was able to walk us through the process of sharing data with the contractors and we were able to verify that Synergy access to student information had not been shared with these three contractors.

The remaining three contractors had provided student rosters and student information had been shared with these contractors. For these three contractors, the Administrative Secretary provided us with a worksheet they maintained to track student information shared with the contractors. The worksheet contained a list of each of the student's names and a place to check off that a signed ROI form had been received. The Administrative Secretary explained when Synergy access to the student's information was granted, the student's name was highlighted. As we scrolled through the worksheet, we noted it appeared each of the student names had been highlighted; however, very few had a check mark indicating the District had received the signed ROI form.

The Administrative Secretary explained they had prioritized granting access to the student information in Synergy because the contractor had reporting deadlines in the contract and without access to the information, the contractors were unable to prepare the required reports. They explained the contractors stated they had signed ROIs for each of the students listed on the student rosters provided. As a result, access to student information, for the students on the contractor's student roster, had been granted and they were working with the contractors to obtain a copy of the ROI forms for District records.

Our initial meeting with the Administrative Secretary took place in early March 2020. We followed up with them in early May 2020 to check on the progress of obtaining signed ROI forms. They were able to provide updated worksheets. We noted the worksheet indicated the vast majority of the ROI forms were received. They explained subsequent to our initial meeting they had reached out to the contractors to explain the need to prioritize the receipt of signed ROI forms. They also explained they had begun the process of removing Synergy access to student information for some of the students where a signed ROI form had not yet been received. They explained when the contractors' Synergy access to student information had been removed, they deleted the student from the worksheet, and the student would be added back into the worksheet and access to the student's information would be re-granted as soon as the ROI was received.

The Administrative Secretary provided us with access to the signed ROI forms that had been received from the contractors. We noted the District had admittedly released student information prior to receipt of signed ROI forms for each student. Further, per the updated worksheets, there was still some student information being shared even though the District had not received the signed ROI form. However, we noted it was possible that the contractors had signed ROI forms authorizing access to the student information and there had just been delays in the ROI forms



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being shared with the District due to the change in the Contract Manager. As a result, we used a sampling technique to test the population of over 700 signed ROI forms that had been received by the District.

Our test cannot determine conclusively that ROI forms were signed for all students prior to the student information being shared with the contractor because the District has yet to receive all of the ROIs. However, we found each of the tested ROI forms had been signed, authorizing the release of the student information, prior to the District's release of the student's information to the contractors.

Based on our testing of the ROI forms that had been received by the District, we determined it was highly likely that the contractor had signed ROI forms, authorizing the release of student information, prior to the District's release of that information and the delay in the District obtaining the ROI forms was due to the change in the District's Contract Manager.

ROI Requirement

In our review of the 18 contracts selected for testing we noted the requirement for the contractor to provide a signed ROI form authorizing the District to release student information to the contractor is limited to one portfolio of contracts. Several contracts in addition to the six contracts discussed above require the District to share student information with the contractor. However, only the six contracts discussed above require the contractor to provide a signed ROI form authorizing the release of that information.

We noted the terms and conditions in the standard contract template for personal service contracts includes the following:

- 24. Confidentiality; FERPA Re-disclosure. Family Education Rights and Privacy Act ("FERPA") prohibits the re-disclosure of confidential student information.** Contractor agrees to protect the confidentiality of student education records, including personally identifiable information found in education records, in compliance with the Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g) and its implementing regulations (34 C.F.R. Part 99), collectively "FERPA." Contractor acknowledges that information disclosed to Contractor by District may include records that are subject to FERPA, and that to the extent this is the case, Contractor will be considered a "school official" as that term is used in FERPA. As such, Contractor agrees that it will hold all information disclosed to it in strict confidence and will not use such information except as required to perform its obligations under this Contract. Contractor further agrees that will it not disclose or re-disclose any such information except (a) with the express written authorization of District, or (b) as required by law but only to the extent permitted by law and only in the manner prescribed by law. If Contractor receives a court order or subpoena seeking education records or information contained in education records, it shall immediately notify District in writing. If Contractor re-discloses personally identifiable information from education records on behalf of District in response to an order or subpoena under 34 C.F.R. § 99.31(a)(9), Contractor must provide the notification required under 34 C.F.R. § 99.31(a)(9)(ii). District will assist Contractor with complying with this notification requirement.



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This paragraph, included in each of the 18 contracts we tested, identifies the contractor as a “school official” as the term is used in FERPA, allowing the District to disclose student information to the identified contractor without the requirement of a signed ROI form authorizing the release. This paragraph also requires the contractor to hold all information disclosed to them in strict confidence and requires the contractor to not use such information except as required to perform its obligation under the contract.

We met with a member of the District’s Office of General Counsel to gain an understanding of when this provision included in the terms in conditions of the contract (as detailed above) is sufficient as opposed to when a signed ROI form is required. We found the District’s staffing of the Office of General Counsel has had turn over and the member of the Office of General Counsel who was employed by the District at the time the signed ROI form requirement was initially included in the contracts is no longer employed by the District.

Per our discussion with a member of the District’s Office of General Counsel, the District does not have an established criteria that determines whether or not a signed ROI form is required. As a result, certain contracts may not require a signed ROI form in addition to the provision already included in the terms and conditions of the contract.

We evaluated the contracts that require the signed ROI form in comparison to those that do not. We noted there are some complexities to the six contracts that do require the signed ROI form that could have led to the District’s initial determination that a signed ROI form was required. Below are several examples where a signed ROI form may be required:

- The contractor may hire independent contractors or subcontractors to provide some of the services identified in the contract. If that is the case, a disclosure of student information to the independent contractors may be considered a re-disclosure of student information.
- The contractor may have multiple funders of its programs. If a PPS student participates in a program that is funded by multiple funders, student information could be included in reporting requirement the contractor for the other funders. If that is the case, disclosure of student information to the contractor’s multiple funders could be considered a re-disclosure of student information.
- The contractor may have a requirement for a program evaluation. If the contractor discloses student information to an independent program evaluator it may be considered a re-disclosure of student information.
- Synergy access to student information provided to contractors may not be restricted to only the content the contractor is required to have to perform its obligations under the contract.

An analysis of the District’s obligation to secure student information from unauthorized re-disclosure under FERPA laws is necessary for each of these examples to determine whether or not a signed ROI form is required.

Conclusion:

While it appears highly likely that the contractors had obtained signed ROI forms, authorizing the release of student information to the contractor, the District released some student information to the contractor before they had received the signed ROI form from the contractor. Additionally, we noted the requirement for the contractor to provide a signed ROI form authorizing the District to



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release student information to the contractor is limited to one portfolio of contract. The District does not have an established criteria that determines whether or not a signed ROI form is required. We identified three key contributing factors to the noncompliance identified related to the signed ROI requirement:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendations

We recommend the District:

10. Develop and implement internal controls that will ensure the District has received a signed ROI form prior to releasing any student information. Further, we recommend the District continue to prioritize obtaining ROI forms, from the contractors, until a signed ROI form is obtained for each student.
11. Perform and document an analysis of the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.
 - a) We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis.
12. Develop a clear criteria for determining when a signed ROI form is required.
13. Develop internal controls that will ensure the consistent application of a signed ROI form in applicable contracts.
 - a) To achieve this, we recommend the District consider providing Contract Managers with training that will detail guidance and expectations to ensure they have an adequate understanding of the criteria for which a signed ROI form is required and the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws.



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Finding 8 – Payments to Contractors

Overview

In our review of the 18 contracts selected for testing, we noted each contract included the following language related to payments to the contractors:

Contractor shall invoice the District monthly. Upon work completion and acceptance, invoice approval, and according to the Contract's Terms and Conditions, the District shall pay invoices net 30 days. District reserves the right to withhold payments to Contractor for amounts reasonable and sufficient to cover District's costs in processing invoices more than 60 days late.

We noted the contract included additional options for payments; however, none of the 18 contracts tested had requested one of the other options available.

Invoices for payments to contractors are typically submitted by the contractor directly to the Contract Manager. Once the Contract Manager has reviewed and approved the invoice for payment, they complete a Request for Payment on a Contract form. The form along with the invoice is then submitted to the Accounts Payable department for processing and payment.

We obtained a listing of payments made for the contracts as of January 31, 2020. We haphazardly selected 88 payments made to those contractors during the 2019-20 school year and tested to determine whether the District had paid the invoice within 30 days of the District's receipt of the invoice.

Of the 88 payments tested we noted the following:

- 33 (approximately 38 percent) payments were paid timely, within the 30 days
- 55 (approximately 63 percent) payments were not paid timely, within the 30 days

Of the 55 payments that were not paid within 30 days, we note:

- 22 were 30 days or less late
- 19 were between 31 and 60 days late
- 11 were between 61 and 90 days late
- 3 were 91 plus days late

When discussing the testing with the Contract Managers, some stated the date on the invoice may not have been the date the contractor actually provided the District with the invoice. For example, an invoice dated November 30, 2019 was for services provided during the month of November 2019. However, the District had not been provided the invoice on November 30, 2019 (Saturday). We noted none of the invoices we tested had a "date received" date noted on them.

In our review of the invoices, we noted some were signed and dated by the contractor and the date signed by the contractor exceeded the date of the invoice. Additionally, some Contract Managers offered to provide us emails with the invoices included to demonstrate the date the invoice was received by the District. The testing above reflects, if applicable, the use of the later



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date of the contractor's signature or the email from the Contract Manager as the date the invoice was received by the District.

Conclusion

Payments made to contractors were not always made timely as required in the contract. The delay in payments could represent a barrier to contracting with the District for contractors who may not have the ability to sustain operations for extended amounts of time without timely payment.

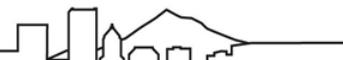
We identified three key contributing factors to the noncompliance identified related to payments to contractors:

- Inadequate oversight of contract management responsibilities
- Lack of detailed guidance and expectation of contract management responsibilities
- More resources are necessary for Contract Managers to perform contract management responsibilities as expected

We noted these were the key contributing factors for the noncompliance we identified for findings two through eight. As a result, we created Finding 9 – Key Contributing Factors to Noncompliance. We detail the three key contributing factors and make related recommendations in Finding 9.

Recommendations

14. We recommend the District review contract payment processes and procedures for process improvements and efficiencies to ensure payments to contractors are made timely as required in the contract. Additionally, we recommend the District document the date the invoice was received.
15. We also recommend the District consider centralizing the receipt of contract invoices. Best practices from a variety of sources recommend centralizing the receipt of invoices. Centralization of invoices can help reduce the risk of duplicate payments and fraud. We noted no indication of duplicate payments or fraud related to any of the payments we tested. However, we included the recommendation as centralized receipt of invoices is considered best practices.



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Finding 9: Key Contributing Factors to Noncompliance

Overview

As we concluded our testing for Objective 1 and Objective 2, we considered the root cause for the noncompliance identified. We noted three key contributing factors:

1. Lack of detailed guidance and expectations of contract management responsibilities
2. Inadequate supervision oversight of contract management responsibilities
3. More resources are necessary for Contract Managers to perform contract management responsibilities as expected

Details related to each of these contributing factors are provided below.

Lack of Detailed Guidance and Expectations for Contract Managers

To gain a better understanding of expectations for Contract Managers, we obtained the position descriptions for each of the District staff members identified as the Contract Manager for one or more of the 18 contracts we selected for testing. In some, we found the following responsibilities and/or expectations related to contracting:

- Advocate, model and implement PPS's Racial Equity, Equity in Public Purchasing and Contracting and Affirmative Action board policies, or
- Learn and implement the PPS Equity in Public Purchasing and Contracting board policy

We noted contract management responsibilities and expectations were not included in any of the position descriptions.

Given contract management responsibilities and expectations are not included in the Contract Manager's position descriptions, it is not reasonable to assume these staff members bring contract management knowledge and experience to the positions. As a result, we considered the guidance and expectations for Contract Managers provided by the District.

We reviewed the P&C Department web pages and noted a variety of guides, templates, and announcements and updates. We also reviewed the contracting training course that is mandatory for all staff who manage or work with contracts. We found the content available to lack detailed guidance and expectations, specifically related to the following:

- How to perform an adequately detailed review and evaluation of the performance of a contract
- How to ensure contractor performance measures and outcomes are included in the SOW
- How to measure contractor performance measures and outcomes
- Contract performance monitoring expectations
- How to develop and maintain internal controls to ensure compliance with District policy and procedures and the terms and conditions of the contract

In our discussions with P&C Department Management, they stated the contracting training course is not intended to be a complete list of all contract management responsibilities, with detailed guidance and expectations for each type of contract. They explained the breadth and scope of



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the District's contracts are too diverse for the training course to provide detailed guidance and expectations related to all contract management responsibilities. Instead, the training touches on key contract management responsibilities and expectations. If Contract Managers have questions about how the content applies to their specific contract, P&C Department staff are available and happy to answer questions or provide detailed and specific guidance and expectations applicable for that contract.

Despite the challenges of the diverse breadth and scope of contracts within the District, clear, specific, and adequately detailed guidance and expectations or contract management responsibilities are necessary to ensure accountability.

Inadequate Oversight of Contract Management Responsibilities

As noted above, position descriptions for the Contract Managers do not include contract management responsibilities. We also obtained the performance evaluation for each Contract Managers and noted an evaluation of the performance of contract management activities was only included in one. As a result, we had difficulty identifying who is responsible for providing oversight of contract management responsibilities and whether or not oversight of contract management responsibilities is taking place.

Oversight of contract management responsibilities is not the responsibility of P&C department staff, and is not covered in the Contract Manager's position description or annual position performance evaluation. As a result, it appears oversight of contract management responsibilities is not being performed.

More Resources are Necessary for Contract Managers

As noted above, more resources in the form of detailed guidance and expectations related to contract management responsibilities is necessary. In addition, more resources in the form of time to perform contract management responsibilities is necessary.

Throughout the audit, we noted the staff time necessary for Contract Managers to manage the contracts we tested can be significant. We noted each of the position descriptions we reviewed for the Contract Managers do not mention the roles and responsibilities of contract management. As a result, contract management appears to be silently added to the positions held by each of the Contract Managers without consideration whether or not the Contract Manager has adequate time to perform the responsibilities given the roles and responsibilities included in their position description.

Multiple Contract Managers expressed frustration with time required to perform the expectations related to contract management. For example, one Contract Manager stated it was impossible for them to complete the contract management responsibilities given the time required to perform the roles and responsibilities included in their position description.

Competing priorities is a challenge for all positions; however, without detailed guidance and expectations for contract management responsibilities, and consideration of the time required to manage the contract, the District is not providing adequate resources to Contract Managers.



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The SoS report draws attention to the District's lack of detailed guidance and expectations for Contract Managers stating, while the District's guidelines and training identify some Contract Manager responsibilities, the State of Oregon's procurement manual provides more details than the District's guidance. The report goes on to mention the state emphasizes a plan that includes how the agency will document, monitor, and control contract performance.

We reviewed the plan mentioned in the SoS report. We noted the plan is called a Contract Administration Plan (CAP) and is completed for each contract. The CAP provides the following:

- Roles and responsibilities of each member of the contract's administration team
- A template for listing all deliverable included in the contract the responsible party, and the due date for the deliverable
- Communication plan for the contract including a Communication Register template for documenting the communication
- A template for listing agency obligations, controls in place to ensure meeting the obligations, and the responsible party

The CAP includes detailed guidance, expectations, and templates for documenting the performance of the contract management responsibilities for a variety of areas in addition to the items noted above.

We followed up with P&C Department Management to see if consideration of the resources available in the states' procurement manual were considered for inclusion into the District's current contract management guidance. Specifically, whether the CAP used by the state to detail how the agency will document, monitor, and control contract performance, was considered for implementation at the District. P&C Department Management explained the diverse breadth and scope of contracting within the District present significant challenges for the implementation of standardized requirements such as the development of the CAP used by the state.

We acknowledge the challenges the diverse breadth and scope of contracting within the District presents for the implementation of standardized requirements. However, more resources are necessary for Contract Managers to ensure contract management responsibilities are performed and requiring the CAP would at least ensure the Contract Manager understands the contract management responsibilities for the contract and has a plan to perform the required responsibilities.

Conclusion

We identified three key contributing factors that appear to be the root cause for the noncompliance we identified in our testing detailed throughout the report. There is:

1. A lack of detailed guidance and expectations of contract management responsibilities,
2. Inadequate supervision oversight of contract management responsibilities
3. More resources are necessary for Contract Managers to perform contract management responsibilities as expected

Recommendations

To ensure contract management responsibilities are being performed as expected, we recommend the District:



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16. Develop and communicate detailed guidance and expectation related to contract management responsibilities. To achieve this, we recommend the District consider:
 - a) Identify personal services contracts for student services as complex contracts and increase requirements for those contracts to include:
 - o Develop an additional contract management training course that Contract Managers of complex contracts are required to complete prior to initiating the contract.
 - o Require complex contracts include a contract administration plan (similar to that used by the State of Oregon) that is review and approved by the Contract Manager's supervisor and submitted to P&C for recordkeeping.
17. Develop and communicate oversight of contract management responsibilities, including how performance of contract management responsibilities will be evaluated. To achieve this, we recommend the District consider updating position descriptions to include contract management responsibilities and include an evaluation of the performance of these responsibilities in the staff member's annual performance evaluation.
18. Prior to assigning a Contract Manager, supervisors of the proposed Contract Manager should evaluate the positions' other roles and responsibilities to ensure those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions



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Audit Objective 3: Steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts

Overview

To determine whether the District has taken appropriate steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts, we first considered the improvements District management detailed in the response to the SoS report. We noted the District's response included a list of several improvements to contracting processes which had been implemented and several improvement initiatives that the District was working to implement. In the Response to SoS Report section below, we detail our testing to determine whether the District had implemented the improvements and the improvement initiatives that were detailed in the District's response to the SoS report.

We then considered whether the District has taken additional steps, in addition to the improvements and improvement initiatives included in the response to the SoS report, to implement a comprehensive and systematic approach to improve performance management of personal service contracts. We detail our understanding of the additional steps the District has taken in the Additional Steps section that follows the Response to the SoS Report section below.

Response to SoS Report - Improvements

In the District's response to the SoS report, District management stated the following:

PPS P&C staff, in conjunction with Board members, have worked diligently over the last several years to strengthen contracting processes, conduct more rigorous performance reviews, and improve District-wide compliance with public contracting rules and best practices. Such improvements include:

- Implementing processes to ensure that work will not begin before contracts are vetted, approved, and signed;
- Centralizing contract review and signatory authority for all contracts District-wide;
- Clarifying background check requirements for contractors;
- Strengthening all contract and scope of work templates to allow more detailed scope descriptions and payment terms;
- Public posting all contracts on the Board business agenda and providing more detailed information to the Board to increase transparency in contract decisions.

Auditor Testing - Improvements

In our testing of the 18 contracts selected, we saw evidence of the following improvements District management stated in the response to the SoS report:

- Implementing processes to ensure that work will not begin before contracts are vetted, approved, and signed
- Centralizing contract review and signatory authority for all contracts District-wide
- Clarifying background check requirements for contractors
- Strengthening all contract and scope of work templates to allow more detailed scope descriptions and payment terms



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Specifically, we noted no evidence that work began on any of the 18 contracts we tested prior to the contract being vetted, approved, and signed. Documentation for all 18 contracts we tested included a “Contract Approval Form” and a “Purchasing & Contracting – Contract Routing” form which detailed the contract review and signatory authority completed centrally by the P&C Department. Further, we noted the mandatory contracting training course required for all District staff who manage or work with contracts included specific guidance and expectations related to background check requirements for contractors.

We also noted evidence the P&C Department is updating SOW templates, as well as other content on a continuous basis. For example, we noted the Board Cover Memo template developed in March of 2019 was updated in August of 2019 based on feedback from the Board. The initial version of the Board Cover Memo included the following four sections:

1. How was the contract solicited? (Select one)
 - Request for Proposal – Include the date of solicitation
 - Direct Negotiation – if selected include:
 - How and why was the contractor selected
 - Why was completion deemed impractical
 - Other
2. This contract is for (select one)
 - A New Scope of work or new contractual relationship
 - An amendment or renewal of an ongoing contractual relationship – if selected include:
 - Summarize data/outcomes from prior year or prior contract period (How do we know the contract was effective?)
 - Describe any changes from the prior year scope, new deliverables, or plan for improvement in this contract.
3. Rational/justification for this expenditure
4. Funding for the first year of this contract exists in the following account (list applicable chartfield)

The updated version of the Board Cover Memo template included additional sections related to the content and analysis for the Contract Manager to complete to help the Board more easily evaluate instructional and student services contracts on the Board agenda for approval. For example, some of the additional sections the updated version of the Board Cover Memo template include the following:

- Student or family population to be served, including how the racial equity lens was applied in determining this population and scope of work.
- Briefly describe the SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) goals included in this contract scope. Include how the District assess attainment of the SMART goals and monitoring timeline/key dates.
- If the contract is an amendment or a renewal of an ongoing contractual relationship the following additional sections were added:
 - Summarize data/outcomes from prior year or prior contract period. Was the contract effective? What steps were taken and/or what objective data was collected and analyzed by District staff to assess contract effectiveness?



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- (For school-based services) Describe any input gathered from principals, educators, or other school staff regarding contractor performance and contract outcomes.
- List any prior targets or goals that were not met.
- Describe any changes from prior year scope, new deliverables, or plan for improvement in this contract. If there were deficiencies in performance, or if prior goals were not met, how is the new scope, new deliverables, and/or new monitoring process designed to improve performance and outcomes?

A copy of the updated version of the Board Cover Memo is included in Appendix G - Board Cover Memo.

The updated Board Cover Memo demonstrates the P&C Department's responsiveness to feedback from the Board and is one example of the continuous update of templates and other content provided to Contract Managers. We noted an additional example of multiple updates to the specialized SOW template for instructional and student services contracts developed to help Contract Managers identify and include appropriate performance measures and reporting requirements tailored to the particular contract.

We noted the District's response to the SoS report also included the following improvement:

- Public posting all contracts on the Board business agenda and providing more detailed information to the Board to increase transparency in contract decisions

We noted while the Board Cover Memo does provide more detailed information to the Board, the District is no longer publicly posting all contracts on the Board business agenda.

In August of 2019, the District experienced an attempted fraudulent ACH⁶ transaction. In a memo to the Audit Committee, dated August 23, 2019, District management explained that all funds were recovered and detailed a list of actions that had been taken in response to the attempt. One of the actions listed was the removal of all contracts from the District's website.

In our discussions with District Management, they stated while no evidence was identified in the District's subsequent investigations to indicate the information used in the attempted fraudulent ACH transaction was obtained from a contract publicly posted on the District's website; there was also no evidence that some of the information used in the attempt was not obtained from a contract publicly posted on the District's website. As a result, District Management has determined it will no longer publicly post contracts that are listed on the Board's business agenda for Board approval and stated access to PPS contract information will be available through the District's public records request. (Contracts on the business agenda are posted in a Google Drive shared with all Board members. The Director of P&C also emails the Board members in advance of each Board meeting, sharing the Google Drive link and drawing attention to any personal services contracts or unusual contracts on the agenda.)

⁶ ACH stands for Automated Clearing House, which is a network that coordinates electronic payments and automated money transfers. ACH is a way to move money between banks without using paper checks, wire transfers, credit card networks, or cash.



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The P&C Department Management states they have not found any other local public agencies that post their contracts online. Further, we are not aware of any requirement that requires the District to post their contracts online.

An audit, (the ACH Audit), is currently underway by the District's Office of Internal Performance Audit. During the course of that audit, we plan to gain a better understanding of the events around the attempted fraudulent ACH transaction and the actions the District has taken in response to the attempt. Additional information and recommendations on this topic may be included in the audit report. We anticipate the resulting audit report will be issued in the summer of 2020.

To address the SoS reports call for increased transparency and oversight for the District's contracts, the District is planning to develop web pages that describe the District's Racial Equity and Social Justice (RESJ) partnerships, partners and impact, and plans to regularly publish programming and progress of contractors. (More on this is included in the following Additional Steps section.) Additionally, in this report, we included the following recommendations for consideration of District management.

- Finding 2 – Recommendation 3.d) Increase transparency by saving all review and evaluations in a central and accessible location so they can be easily accessed and reviewed by stakeholders
- Finding 3 – Recommendation 4.c) Increase transparency by saving the completed Student, Instructional, and Family Engagement Service Contracts: Scope of Work and Performance Requirements template in a central and accessible location so they can be easily accessed and reviewed by stakeholders

We consider the public a stakeholder and hope the District will consider publicly posting the review and evaluation of contracts (via the Board Cover Memo) and the SOW for contracts listed on the Board agenda for Board approval. This could increase transparency in contracting decisions while still safeguarding the majority of the content related to contractor payments.

Conclusion - Improvements

Based on our testing detailed above, we noted it appears there is evidence to support the District has implemented the improvements listed in the District's response to the SoS report.

Response to SoS Report - Improvement Initiatives

In the District's response to the SoS report, along with the improvements the District has taken, as detailed above, District management stated the following:

PPS will continue to build on these improvements, with a particular focus on staff contract performance oversight and management. Improvement initiatives currently in process include:

- Implementation of a new cover memo template for instructional and student services contracts to help the Board more easily evaluate contracts on the business agenda
- Development of a specialized scope of work template for instructional and student services contracts that will help Contract Managers identify and include appropriate



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- performance measures and reporting requirements tailored to the particular contract
- Solicitation and implementation of contract management software that will assist Contract Managers in tracking contract status, budget to actuals, and deliverables

Auditor Testing - Improvement Initiatives

In our testing of the 18 contracts, we noted the following evidence of improvement initiatives the District stated were underway in its response to the SoS report.

- The Board Cover Memo was created and implemented. Seven of the 18 contracts we tested required a Board Cover Memo. We noted a Board Cover Memo, using the updated template, was provided to the Board for each of the seven contracts.
- A specialized SOW template was created and posted to the P&C department web page under Contract Forms. Twelve of the 18 contracts we tested were for instructional and student services. We noted the template was not included as the SOW for any of the 12 contracts (more information on this is included in Finding 3 of this report). However, we noted the sample contract included in the District's RFP for RESJ Partnerships for the 2020-21 school year includes the Specialized SOW template.
- The Board approved a contract for the purchase of contract management software in the Board meeting on September 23, 2019. The contractor began providing P&C department management training related to the software features and configurations in late September 2019. Subsequently, the P&C department has been working with the software provider on implementation, customization, and transfer of all existing data and contracts. Integration with the District's financial system is planned for the summer of 2020. The P&C Department Management stated they are planning to begin training District personnel on the software in the fall of 2020.

Conclusion - Implementation Initiatives

Based on our testing detailed above, we noted it appears there is evidence to support the District has implemented the improvements initiatives listed in the District's response to the SoS report.

Additional Steps

In early 2019, the District's Senior Advisor on Racial Equity & Social Justice (RESJ) began a contract review process of the District's educational partnerships with contractors identified by the District as RESJ Partnerships. The scope of the review process included both programmatic and administrative consideration including, but not limited to, effectiveness of programming, relationship development and management, services and education alignment, efficient contract development processing and management, process transparency, data collection, reporting and evaluation. Several essential questions were identified and considered in the review:

- What impact are the current services and agreement making on measurable student outcomes to close identified opportunity gaps
- How are the current services and agreements aligned with current priorities, strategies and efforts at PPS
- Can PPS improve its contracting systems and processes to increase impact and effectiveness of this body of work
- Are PPS and its partners set up to collect, analyze and publish data that tells the story of the impact of this body of work



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- Is this set of services, agreements, partners, and contracting processes the highest leverage strategy to achieve identified outcomes

A collaborative approach to the review process was used by identifying and engaging internal and external stakeholders to answer these essential questions and to gather feedback on service needs, opportunities, and challenges related to the District's educational partnerships. Additionally, in September 2019, the management of the District's 2019-20 portfolio of contracts considered by the District as RESJ Partnerships was assigned to the Senior Advisor on RESJ. The portfolio of contracts included 19 contracts for approximately \$4.7 million.

Utilizing the information gathered in the contract review process, and in the management of the 2019-20 RESJ Partnership contracts, the Senior Advisor on RESJ developed the PPS RESJ Partnership Investment Strategy. The investment strategy outlines values, strategies, and operational guidelines to inform funding allocation for the District's educational partnerships for the 2020-21 school year. We included a copy of the PPS RESJ Partnership Investment Strategy in Appendix E: RESJ Investment Strategy.

In April 2020, the District issued a Request for Proposals (RFP) for RESJ Partnerships for the 2020-21 school year. The RFP includes the PPS RESJ Partnership Investment Strategy and requests respondents to submit proposals that aligns a program of services for each of the strategies for which they intend to submit a proposal. The RFP requires proposers to submit a proposal using a logic model that describes their theory of action for student impact as a result of the resources and services provided by the proposer. The logic model should provide clear examples of how the proposer intends to meet the scope of work, as well as how success will be measured. Program goals and impact should align with the recommended measures and reporting for partners as described in the PPS RESJ Partnership Investment Strategy. We included a copy of the RESJ Partnership Logic Model in Appendix F: RESJ Partnership Logic Model.

The PPS RESJ Partnership Investment Strategy states throughout the Portland community, other jurisdictions and funders (i.e., Meyer Memorial Trust, All Hands Raised, Oregon Community Foundation (OCF), and Portland Children's Levy) have engaged in measuring the impact of education funding. A survey of other funders shows significant alignment in outcomes and the potential for shared reporting and tracking of the impact of the partnerships by utilizing a logic model. The recommended measures and reporting for partners identified in the RFP attempt to maximize the potential for shared reporting and tracking of the impact of the District's RESJ Partnerships.

Furthermore, we noted the PPS RESJ Partnership Investment Strategy details an increase in transparency by stating that PPS will develop web pages that describe partnerships, partners and impact, and will regularly publish programming and progress of contractors.

In our review of the District's contract review process of the District's educational partnerships, the PPS RESJ Partnership Investment Strategy, and RFP for RESJ Partnerships for the 2020-21 school year, it appears the District is taking additional steps that will specifically address some of the comments made in the SoS audit report. For example, the SoS report included the following recommendation:



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Use the strategic planning process to evaluate the most effective and efficient use of contracts designed to increase student performance.

The development of the RESJ Partnership Investment Strategy appears to address the SoS report recommendation to use the strategic planning process to evaluate the most effective and efficient use of contracts designed to increase student performance.

Below we included a several comments from the SoS report and included a follow up section that details how the PPS RESJ Partnership Investment Strategy and RFP for RESJ Partnerships for the 2020-21 school year addresses the comments.

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| <p>SoS Report Comment: There is limited scrutiny of non-competitive personal service contracts</p> | <p>Follow up: The District posted the RFP for RESJ Partnership in April 2020 for the 2020-21 school year. The District's 2019-20 contracts that would be considered RESJ Partnerships included 19 contracts for approximately \$4.7 million. Most of these contracts were previously non-competitive.</p> <p>Further, we noted the PPS RESJ Partnership Investment Strategy details an increase in transparency by stating that PPS will develop web pages that describe partnerships, partners and impact, and will regularly publish programming and progress of contractors. This should provide increased transparency and the opportunity for an increased level of scrutiny.</p> |
| <p>SoS Report Comment: PPS is relying on contractor's self-reported performance outcomes</p> | <p>Follow up: The RESJ Partnership Investment Strategy details a survey of other funders shows significant alignment in outcomes and the potential for shared reporting and tracking of the impact of the partnerships by utilizing a logic model. The RFP for RESJ Partnership details the use of a logic model for reporting. This should eliminate the District's reliance on contractor's self-reported performance outcomes.</p> |
| <p>SoS Report Comments: PPS is not adequately evaluation whether contracts are improving student performance and PPS needs to more effectively manage contractors whose work directly affects students</p> | <p>Follow up: The District's portfolio of contracts identified as RESJ Partnerships are those where the contractor's work directly affects students. As detailed in the RFP for these contracts for the 2020-21 school year, the District will be utilizing a logic model which should show a significant alignment in outcomes and has the potential for shared reporting and tracking of the impact of the District's RESJ Partnerships. This should increase the District's ability to</p> |



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| | <p>determine whether contracts are improving student performance.</p> <p>Further, as previously noted, the RESJ Investment Strategy details an increase in transparency by stating that PPS will develop web pages that describe partnerships, partners and impact, and will regularly publish programming and progress of contractors. This should provide the District with the opportunity to demonstrate its effective management of these contracts by regularly publishing the impact and outcomes of the contracts.</p> |
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Based on our review of the District’s contract review process of the District’s educational partnerships, the PPS RESJ Partnership Investment Strategy, and the RFP for RESJ Partnerships for the 2020-21 school year, it appears the District is working to implement a comprehensive approach to the management of the District’s RESJ Partnerships contracts that is focused by the investment strategy. We noted the District’s portfolio of RESJ Partnerships contracts accounts for approximately 28 percent of the District’s 2018-19 personal service contracts.

Additional Steps - Conclusion

We determined the District has taken steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ partnership contracts. However, these additional steps appear to be focused on the District’s portfolio of RESJ Partnership contracts and not comprehensive and systematic improvements to improve performance management of personal service contracts district-wide.

Objective 3 – Conclusion

The District has implemented the improvements and improvement initiatives detailed in the District’s response to the SoS report. The District has also taken additional steps outside the implementation of the improvements and improvement initiatives identified in the District’s response to the SoS report, however these additional steps appear to be focused on the District’s portfolio of RESJ Partnership contracts and not comprehensive and systematic improvements to improve performance management of personal service contracts district-wide.

As noted throughout this report, we found instances of noncompliance with District policies and procedures and the terms and conditions of the personal service contracts we tested. It appears contract management of personal service contracts continues to be a challenge for the District.

In conclusion, we determined while the District has taken steps, and continues to work to improve contract management of personal services contracts with educational partners, we found more needs to be done for improvement in both effectiveness and compliance.

Recommendations:



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19. We recommend the District take additional steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts. To achieve this we recommend the District consider scaling the District's comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ partnership contracts to include all of the District's personal service contracts with educational partners.
20. To address the SoS audit's call for increased transparency and oversight for the District's contracts we recommend the District consider publicly posting the review and evaluation of contracts (via the Board Cover Memo) and the SOW for contracts listed on the Board agenda for Board approval. This could increase transparency in contracting decisions while still safeguarding the majority of the content related to contractor payments.

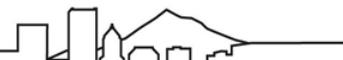


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Management Response

Contracts Audit
Management Response to Recommendations
June 25, 2020

| 2020 Contracts Audit Recommendations | | | | |
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| # | Abbreviated Recommendation | Response (Agree/Partly Agree/Disagree/Partly Disagree) | Responsible Administrator / Manager | Comment |
| 1 | 1. Re-evaluate internal controls to ensure all District staff who manage or work with contracts complete the mandatory contracting training course prior to the established deadline. | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 2 | 2. Maximize the benefit of the training course, by requiring the training course applicable for the contract term, to be completed by the required staff prior to initiating the contract. | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| To achieve recommendation 2, we recommend the District consider the following: | | | | |
| 2 a) | Consider changing the deadline for the required training course to August 1st of the applicable year. | Partly Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation to change the course deadline and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, we do not agree that August 1st is a realistic course completion deadline, particularly for school staff and administrators. We will propose a new annual course update schedule and completion deadline designed to better address Recommendations 1 and 2. |
| 3 | Develop and implement internal controls that will ensure a thorough and robust review and evaluation of the contracts performance is completed and documented prior to deciding whether or not a similar contract should be negotiated in the future | Agree | Instructional Leadership, RESJ leadership | Instructional Leadership agrees with the recommendation and will include action steps within our implementation plan presented to the Audit Committee within 60 days. As noted in the Audit, the personal services contracts that include RESJ Partnerships are currently part of a robust review and reimagining. All contracts are currently subject to a competitive process where proposers are asked to submit documentation of both proposed and prior contract performance to complete a scope of work. The request for proposals includes required narrative and a logic model that describes the contract outputs (service delivered) and intended student outcomes that will form the basis of the contract reporting and district evaluation for awarded proposers. This competitive process will provide the basis for contract awards for up to three years upon successful completion of required contract deliverables each school year. The basis for contract negotiation is outlined in both the PPS RESJ Partnerships Investment Strategy and the 2019-2700 RESJ Partnerships solicitation. |
| To achieve recommendation 3, we recommend the District consider the following: | | | | |
| 3 a) | Update the contracting training course to include additional guidance and expectations related to review and evaluations | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |



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| 3 b) | Utilize the content of the Board Cover Memo to create a template for Contract Managers to document the review and evaluation for all contracts. | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation as it applies to large instructional, family engagement, and student services contracts (for which the Board Cover Memo was designed) and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 3 c) | Require the review and evaluation be reviewed and approved by the Contract Manager's supervisor and submitted to the P&C Department for record keeping. | Partly Agree | RESJ Leadership & Instructional Leadership & Emily Courtnage, Director of Purchasing & Contracting | <p>Purchasing & Contracting agrees with the recommendation that contract reviews and evaluations should be saved with other contract documents in a central and accessible location, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&C can provide instruction to contract managers and a central and accessible repository for all contract related documents, P&C does not have contracting staff capacity to manage the collection, submission, and supervisor approval of contract performance reviews for all instructional contracts nor the subject matter expertise to judge the content or accuracy of such reviews.</p> <p>Instructional Leadership agrees that there will be a review and evaluation of the contract by the contract manager and that they will inform their supervisor when they have completed that process and uploaded the information. We disagree that the supervisor of the contract manager will also review and evaluate the contract as this is redundant work and that the contract manager is capable of doing this.</p> <p>RESJ leadership agrees with the recommendation to document contract compliance activities, however given the capacity of the respective departments has reservations about creating processes to add another layer of compliance. We do however commit to continuing to work in collaboration across departments to ensure effective contracting.</p> |
| 3 d) | d) Increase transparency by saving all review and evaluations in a central and accessible location so they can be easily accessed and reviewed by stakeholders | Partly Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation that contract documents, including any reviews and evaluations provided by contract managers, should be saved in a central location and readily accessible to District staff, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&C can provide instruction to contract managers and a central and accessible repository to facilitate compliance with this recommendation, P&C does not have contracting staff capacity to manage and ensure the collection and submission of contract performance reviews for all instructional contracts. |



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| 4 | Develop and implement internal controls that will ensure all contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract. | Agree | Instructional Leadership & Emily Courtnage, Director of Purchasing & Contracting & RESJ leadership | <p>Purchasing & Contracting agrees with the recommendation that our internal controls (including mandatory templates and training and the contract approval process) should help ensure that instructional, family engagement, and student services contracts include appropriate deliverables, performance measures, and expected outcomes, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days.</p> <p>Instructional Leadership agrees and will include implementation actions to ensure all contracts include appropriate and specific deliverables, performance measures, expected outcomes, how the performance of the contract will be measured, and reporting requirements tailored to the particular contract.</p> <p>RESJ - Agree with the recommendation. The current competitive process scores and evaluates proposed scope of work and deliverables measured against a proposed logic model that describes expected outcomes and measures for which ongoing reporting will be required. Once selected, contractors will negotiate final terms and in partnership and RESJ will collaborate with the Office of School Performance to develop system measures to gauge the impact of all RESJ partners and strategies.</p> |
| To achieve recommendation 4, we recommend the District consider the following: | | | | |
| 4 a) | Require the use of the Specialized SOW template. | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 4 b) | Require the appropriateness of the specific deliverables, performance measures, expected outcomes, how the performance will be measured, and reporting requirements tailored to the particular contract be reviewed and approved by a qualified Educational Specialist who is not involved with the management of the contract. | Partly Agree | Instructional Leadership | Instructional Leadership partly agrees with this recommendation. Staff outside of the contract that are qualified educational specialists do not have time in their current workload to review and approve the specific deliverables, performance measures, expected outcomes, how the performance will be measure and reporting requirements. The Executive Instructional Leadership Team (EILT) made up of the Deputy Superintendent, Chief of Schools, Chief Academic Officer, and Chief of Student Support Services will review and approve these elements on contracts going to the Board for approval. |
| 4 c) | Increase transparency by saving the completed Specialized SOW template in a central and accessible location so they can be easily accessed and reviewed by stakeholders. | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation that contract documents, including statements of work, should be more readily accessible to District staff and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 5 | Provide an update to the Board to communicate the District's phased implementation of the mandatory training requirements for contractors and the delay in full implementation. | Partly Agree | Legal - Mary Kane | We agree with the recommendation to the extent it applies to those contractors that have direct and substantive interaction with students and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |



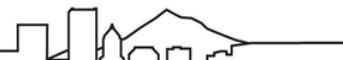
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| 6 | Develop and implement internal controls to ensure all mandatory training courses are included in all contracts that require interactions with students. | Partly Agree | Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation to the extent it applies to those contractors that have extensive and substantive interaction with students. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| To achieve recommendation 6, we recommend the District consider the following: | | | | |
| 6 a) | District Management develop detailed guidance and expectations related to the mandatory training requirement for contracts that require contractors and their staff to interact with PPS students. | Partly Agree | Legal - Mary Kane | We agree with the recommendation to the extent it applies to those contractors that have extensive and substantive interactions with students; however, we will not be able to develop the guidance and expectations related to mandatory training within the next 60 days. |
| 6 b) | The P&C department communicate the detailed guidance and expectations to Contract Managers throughout the District | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, P&C cannot implement this recommendation until the internal controls and detailed guidance and expectations referenced in Recommendation 6 and 6(a) are developed. |
| 6 c) | Update the contracting training course to include guidance and expectations related to the inclusion of the mandatory training courses in applicable contracts; including if or when exceptions can be made and the process for obtaining an exception. | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, P&C cannot implement this recommendation until the internal controls and detailed guidance and expectations referenced in Recommendation 6 and 6(a) are developed. |
| 6 d) | Establish a clear and mandatory channel of communication between the P&C department and Contract Managers (in addition to the annual contracting training course) to communicate and distribute guidance and expectation for Contract Managers on topics related to contracting | Disagree | Emily Courtnage, Director of Purchasing & Contracting | We agree that it is important to have clear channels of communication between the P&C Department and contract managers. However, multiple channels of communication are already in place and regularly utilized: (1) The mandatory annual contracting training course; (2) The frequently updated P&C website with announcements, Quick Guides, and new contract templates and forms with instructions; (3) Admin Connect, where we post announcements related to the contract course and other new contracting guidance generally applicable to contract managers; (4) Emails sent via the Communications Department email lists to all BESC staff, all school administrators, and all principals' secretaries; (5) Back to School and Finance trainings for principals' secretaries and admin assistants and New Leaders trainings for new school administrators; and (6) Emails sent to specific contract managers when a new initiative or requirement (such as the Board Cover Memo) is applicable only to a few contract managers. We regularly utilize all of these channels and do not believe any additional communication channel is required. |
| 7 | 7. Develop and implement internal controls to ensure the District obtains evidence that the contractors and their employees have completed the mandatory training course as required in the contract. | Agree | Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting | We agree that contract managers need clear guidance on when and how to ensure that contractors have completed any required training courses before beginning work. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| To achieve recommendation 7, we recommend the District consider the following: | | | | |



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| 7 a) | Develop adequately detailed guidance and expectations and communicate that content with Contract Managers. | Agree | Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting | We agree that contract managers need clear guidance on when and how to ensure that contractors have completed any required training courses before beginning work. We will continue to work with a group of leaders already convened from multiple departments to develop appropriate systems and guidance. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 7 b) | Include the list of mandatory training courses in applicable RFPs (or ITB). | Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, P&C cannot implement this recommendation until the internal controls and detailed guidance and expectations referenced in Recommendation 6, 6(a), 7, and 7(a) are developed. |
| 7 c) | Consult with the Office of Technology & Information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email addresses for the contractor and their staff to access the training courses in Pepper PD. | Agree | Legal - Mary Kane | We agree with the recommendation and a process has already been implemented through the adoption of Rapid Identity, a new identity automated management system. |
| 8 | 8. Develop and implement internal controls that will ensure: • Evidence of deliverables identified in the SOW are achieved/delivered, and • Reports obtained by the District as evidence of deliverables include all required information, agree with District data, and all required reports are obtained (i.e. all four of the four reports are obtained). | Agree | Instructional Leadership | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 9 | We also recommend the District management develop and implement internal controls that will ensure contract management responsibilities are being performed. | Agree | Instructional Leadership | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 10 | We recommend the District develop and implement internal controls that will ensure the District has received a signed ROI form prior to releasing any student information and continue to prioritize obtaining ROI forms, until a signed ROI form is obtained for each student. | Partly Agree | Legal - Mary Kane and potentially others | We believe the appropriate next action is that the Legal Department assess how and whether ROI forms need to be used in contracts and consult with appropriate departments on development of any necessary internal controls resulting from that assessment. See 11(a), below. |
| 11 | We recommend the District perform and document an analysis of the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws. | Agree | Legal - Mary Kane | We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days. |
| 11 a) | We recommend the District consider specifically addressing each of the examples identified in the finding in its analysis. | Agree | Legal - Mary Kane | We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days. |
| 12 | We recommend the District develop a clear criteria for determining when a signed ROI form is required. | Agree | Legal - Mary Kane | We agree and believe we can implement this into our implementation plan presented to the audit committee within 60 days. See 10, above. |
| 13 | Develop and implement internal controls that will ensure the consistent application of a signed ROI form in applicable contracts. | Agree | Legal - Mary Kane and Emily Courtnage, Director of Purchasing & Contracting | We agree that contract managers need clear guidance on when to include the requirement of signed ROIs in their contracts. We will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| To achieve recommendation 13, we recommend the District consider the following: | | | | |
| 13 a) | We recommend the District consider providing Contract Managers with training that will detail guidance and expectations to ensure they have an adequate understanding of the criteria for which a signed ROI form is required and the District's obligation to secure student information from unauthorized re-disclosure under FERPA laws. | Partly Agree | Legal - Mary Kane | We agree subject to the conclusions reached in the analysis required in 10 and 11(a), above; however, training may not be implemented within 60 days. |



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| 14 | We recommend the District review contract payment processes and procedures for process improvements and efficiencies to ensure payments to contractors are made timely as required in the contract. Additionally, we recommend the District document the date the invoice was received. | Agree | Tracy Pinder, Director of Financial Services | We agree with the recommendation and will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. |
| 15 | We also recommend the District consider centralizing the receipt of contract invoices. | Partly Agree | Tracy Pinder, Director of Financial Services | We partly agree with the recommendation, as centralizing receipt of invoices is a suggested best practice. However, implementation would be a significant shift in current practice and would require additional central office FTE to manage all District invoices centrally. |
| 16 | To ensure contract management responsibilities are being performed as expected, we recommend the District develop and communicate detailed guidance and expectation related to contract management responsibilities. | Partly Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation that P&C should build on, and provide more detailed guidance in, our training materials and templates related to contract management responsibilities, and we will include implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, while P&C can instruct contract managers on contract management responsibilities and best practices and provide tools to assist with contract management, it does not have capacity to supervise or oversee contract managers' management of their own contracts. |
| To achieve recommendation 16, we recommend the District consider the following: | | | | |
| 16 a) | <ul style="list-style-type: none"> a) Identify personal services contracts for student services as complex contracts and increase requirements for those contracts to include: <ul style="list-style-type: none"> o Develop an additional contract management training course that Contract Managers of complex contracts are required to complete prior to initiating the contract. o Require complex contracts include a contract administration plan (similar to that used by the State of Oregon) that is review and approved by the Contract Manager's supervisor and submitted to P&C for recordkeeping. | Partly Agree | Emily Courtnage, Director of Purchasing & Contracting | We partly agree with the recommendation and will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. However, we do not believe it will be effective to add to the already significant time burden of mandatory online trainings for staff. We will consider different methods of providing additional specialized instruction or advice to the relatively few contract managers who manage complex instructional contracts. |
| 17 | Develop and communicate oversight of contract management responsibilities, including how performance of contract management responsibilities will be evaluated. To achieve this, we recommend the District consider updating position descriptions to include contract management responsibilities and include an evaluation of the performance of these responsibilities in the staff member's annual performance evaluation. | Partly Disagree | Instructional Leadership & RESJ leadership | <p>In most cases, the responsibility of contract management is not specific to a job. For example, we may have an Academic Program Manager who has responsibility for a contract but the majority of individuals who are Academic Program Managers do not have this responsibility. We do not have the ability to track every single assigned duty in a job description.</p> <p>Instructional Leadership partly agrees with the recommendation to include contract management in performance evaluation. Depending on the contract manager and the situation, contract management will only be included in performance evaluation where appropriate.</p> <p>RESJ Leadership partly agrees that contract managers for RESJ partnerships will provide oversight and compliance duties related to the deliverables in each contract assigned. Overall efficacy and evaluation of the impact of the RESJ strategies will be done in collaboration with the Instructional Leadership, the Office of Systems Performance and district leadership.</p> |



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| 18 | Prior to assigning a Contract Manager, supervisors of the proposed Contract Manager should evaluate the positions' other roles and responsibilities to ensure those assigned contract management responsibilities have adequate time to perform the contract management responsibilities while also performing the roles and responsibilities in their position descriptions | Partly Disagree | Instructional Leadership & RESJ leadership | Instructional Leadership partly agrees with this recommendation. Supervisors will review workload with managers in general, but it is incumbent upon the manager to ensure that they have completed all duties of contract management and to surface any challenges with their supervisor. |
| 19 | We recommend the District take additional steps to implement a comprehensive and systematic approach to improve performance management of personal service contracts. To achieve this we recommend the District consider scaling the District's comprehensive and systematic approach to improve performance management of personal service contracts identified by the District as RESJ partnership contracts to include all of the District's personal service contracts with educational partners. | Partly Agree | Instructional Leadership & RESJ leadership | Instructional Leadership and RESJ leadership agree to partner on the updated processes for personal service contracts. RESJ leadership has collaborated with Instructional Leadership in the development of the RESJ Partnerships Investment Strategy as well as the RFP process. Instructional Leadership staff and members participated in the RFP scoring process and has committed to working in collaboration with RESJ to support ongoing relationship development with contractors at school sites. This includes participation in quarterly data review meetings and convenings aimed at increasing collective impact. We will have an implementation plan within 60 days. |
| 20 | To address the SoS audit's call for increased transparency and oversight for the District's contracts we recommend the District consider publicly posting the review and evaluation of contracts (via the Board Cover Memo) and the SOW for contracts listed on the Board agenda for Board approval. This could increase transparency in contracting decisions while still safeguarding the majority of the content related to contractor payments. | Partly Agree | Emily Courtnage, Director of Purchasing & Contracting | We agree with the recommendation as it applies to large instructional, family engagement, and student services contracts and, after consultation with the Board Office, will consider including implementation actions in our implementation plan presented to the Audit Committee within 60 days. |



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Appendix A: Contract Selection

We selected personal services contracts totaling approximately \$4.5 million, and included contracts ranging in amounts from \$5,100 to \$1.4 million. Our selection included one or more contracts that were managed by nine different Contract Managers from variety of different departments and/or schools. Our selection of contracts for testing was based off a list of 2018-19 contracts as a complete list of 2019-20 contracts was not available at the time of selection. After the selection of the contracts, we noted seven of the contracts had been renewed for the 2019-20 school year. For these contracts, we also performed testing on the 2019-20 contracts and performed this testing from January to March 2020. We took into consideration that these contracts were in process and only tested for items that should have been completed at the time of our testing.

The breadth and scope of the District's personal services contracts is too diverse for the utilization of a sampling methodology. As a result, our audit results cannot be generalized to the population of the District's personal services contracts. However, due to the increased risks related personal services contracts for student services identified in the Oregon Secretary of State Audit Division (SoS) audit report, issued to the District in January 2019, we prioritized the selection of personal services contracts for student services. Four of the seven 2019-20 school year contracts included in our testing were contracts that were contracts previously tested by SoS audit. By testing these four 2019-20 contracts that were renewed versions of the 2017-18 school year contracts tested by the SoS audit, we hoped to gain an understanding of the District's responsiveness to the comments included in the SoS audit report.

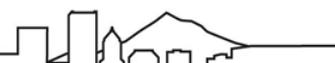
For the 2018-19 school year, we noted the sum of the total contract amounts was approximately \$189 million. Of that amount, approximately \$16.8 million (approximately 9 percent) was related to contracts for personal services. The District's top four contract types accounting for approximately \$135 million (approximately 71 percent) are as follows:

- Construction contracts: \$82.3 million, approximately 43 percent
- Related Services contracts: \$19.2 million, approximately 10 percent
- Cooperative Agreements: \$16.9 million, approximately 9 percent
- Personal Service contracts: \$16.8 million, approximately 9 percent

We reviewed the population of personal services contracts that make up the \$16.8 million, approximately 9 percent of the District's contracting activities. We noted 847 contract were in this population.

The Districts system used to track the District's contracts does not track contracts by service types. As a result, we reviewed the description of all of the personal service contracts over \$25,000. We noted there were 152 personal service contracts over \$25,000, totaling approximately \$13.9 million (approximately 83 percent of the District's personal service contracts).

From this population of 152 personal service contracts we noted 64 appeared to be for student services. These contracts totaled approximately \$7.4 million (approximately 44 percent of the District's personal service contracts).



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Appendix B: Contracting Training Course

We reviewed the contracting training course and noted the following contract management responsibilities:

- Complying with competitive procurement requirements (if applicable)
- Participating with the P&C procurement team in solicitation development and review of contract documents (if applicable)
- Serving as the primary point of contact for the District communication with the contractor
- Negotiating SOW and price
- Identifying and signing off on the contract budget
- Ensuring that the work does not start until the contract is signed and the background check is completed (if required)
- Monitoring the Contractor's progress and performance to ensure that goods and services conform to the contract requirements
- Verifying accuracy of invoices and authorizing payments consistent with the contract payment terms
- Managing, approving, and documenting any changes to the contract through the amendment process
- Monitoring the contract budget to ensure that sufficient funds are available throughout the terms of the contract
- Ensuring that work does not extend beyond the contract end date or exceed the contract maximum amount
- Reviewing and evaluating contract performance before deciding whether to contract again
- Reporting contract outcomes to Senior Leadership, the Board, or the public, as requested

Throughout the entire contract performance period, the Contract Manager must:

- Monitor the performance of the Contractor and ensure compliance with the contract terms
- Meet or speak regularly with the contractor to discuss work progress and goals
- Monitor contract expenditures and stop services or amend the contract before expenditures exceed the contract total
- Thoroughly review periodic invoices and ensure accuracy of invoiced amounts
- Respond to the Contractor's questions about SOW, payment, and invoicing
- Seek assistance from P&C for: Problems with non-compliant contractors, assistance with interpreting contract language, early contract termination, and questions about amending the contract

The training course states the Contract Manager may delegate limited contract management activities, such as initial completion of the contract template or initial review of invoices, to other staff. However, the Contract Manager is ultimately responsible for all contract management activities.

The training course states drafting the SOW for personal services contracts is the responsibility of the Contract Manager and provides guidance and expectations. Specifically, the training course states the SOW must include:



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- Detailed and specific scope – exactly what is the Contractor expected to do or produce?
- Detailed payment and invoicing terms, including reimbursable expenses (if any)
- Detailed and specific deliverables, performance measures, and expected outcomes

The contracting training course provides the following guidance related to review and evaluations:

Evaluation of Performance Outcomes

A Contract Manager who has effectively managed and supervised a contract will be able to report in detail on the Contractor's performance and the contract outcomes.

Lack of positive outcomes or problems with contractor performance, timeliness, effectiveness, or invoicing warrant serious consideration and corrective action before a similar contract is negotiated in the future. The Contract Manager should consider:

- Requiring a formal written corrective action plan
- Implementing an increased level of contract monitoring including, for example, more frequent reporting, conferences, or visits, or
- Terminating the contract or discontinuing the contractual relationship

Record of Performance Outcomes

For any contract greater than \$150,000, the Contract Manager should keep a record of the contractor's performance and outcomes. This record may be requested by other District departments or the board to inform future procurement or contracting decisions.

The record of performance and outcomes may include:

- Any periodic reports and other written deliverables required under the contract or provided by the contractor
- Any District data measuring contract effectiveness
- The Contract Manager's emails, notes, or correspondence concerning Contractor performance during the term of the contract

The District's contracting training course provides the following guidance related to contract monitoring:

Contract Monitoring Methods

The Contract Manager's contract monitoring activities for larger or more complex contracts should include:

- A post award conference or call with the contractor to ensure a clear and mutual understanding of all contract scope and terms
- Periodic conferences or calls with contractor to discuss contract progress
- Periodic desk reviews of progress or status reports and records submitted by the contractor
- Site visits for more complex contracts or contracts with a higher degree of risk
 - Keep written notes, via a site monitoring checklist or site monitoring report



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We noted this guidance, specific to contract monitoring methods, was one of updates made to the 2019-20 training course. The 2018-19 training course did not include this guidance.



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Appendix C: Summary of Scope of Work

| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
|-----------------|---|--|
| 1 | <p>Translate into Spanish and Russian the first and second units for the following grades: K, 1st, 2nd, 3rd, 4th, and 5th.</p> <ul style="list-style-type: none"> • Task 1 - timeline 8/17/18 • Task 2 - timeline 9/17/18 | <ul style="list-style-type: none"> • Initial project launch meeting between PPS TIS, PPS requester and vendor translators • Weekly communication via email to inform and update TIS on the status of the project • Requester review and feedback submission |
| 2 | <p>Contract was for nine schools: Beach, Boise-Eliot, Creston, Kelly, Lent, Lewis, Marysville, Rigler, and Vestal.</p> <p>The program was to provide comprehensive onsite support delivered by an experience coach who was onsite full-time, every day to implement strategies, games, and systems to develop and sustain a positive education culture for everyone, starting at recess.</p> | <p>Contractor used one or more of the following tools to measure program impact:</p> <ul style="list-style-type: none"> • Student Engagement Survey: teachers to complete a short assessment of engagement levels of randomly selected students in the fall and the spring • Junior Coach Training Attendance and Assessment: coaches tracked attendance at junior coach training event • Great Recess Framework observation tool: completed by contractor staff after observing recess • Recess observations and reflections: completed by contractor staff after observing recess • Annual Survey: completed voluntarily by school staff at the end of the year |
| 3 | <p>Help freshman and sophomore students at Franklin, Roosevelt, & Madison successfully transition from middle through HS and build the skills they need to succeed in HS and beyond.</p> <p>Core elements of contract programming include:</p> <ul style="list-style-type: none"> • Summer Leadership Camp for rising freshmen • Intensive after-school support (school year) • Parent/Guardian support • Social-Emotional services | <p>Performance measures:</p> <ul style="list-style-type: none"> • Target number or percentage of freshmen, sophomore, & seniors to be served; • Percentage of students who participated in the minimum of four hours per week of after school programing; • Percentage of participating students with GPA of 2.5 or higher; • Percentage of participating students who obtained a minimum of six academic credits prior to entering next school year • The above measures to be reported to the CM in the following period: Q1 (11/26/18), Midyear (2/15/19), Q3 (5/3/19), Year End (7/12/19), and Final Program Outcome (9/15/19) |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
|----------|--|---|
| 4 | <p>Provide both group and individual sessions at Grant, Franklin, & Roosevelt HS. Objectives:</p> <ol style="list-style-type: none"> 1. Inspire participants to improve school attendance; 2. Identify continuing education opportunities (post-secondary and/or trades); 3. Pursue gainful employment opportunities or internships; and 4. Equip participants with both life and study skills to improve academic and personal achievement. | <p>Performance measures:</p> <ul style="list-style-type: none"> • Minimum number students to be served • Percentage of participants with Acceptable or Good School Attendance • Percentage of participants with Regular Program Attendance • Percentage of participants with a GPA 2.5 or better • The above measures to be reported to the CM in the following period: Q1 (11/26/18), Midyear (2/15/19), Q3 (5/3/19), Year End (7/12/19) |
| 5 | <p>Contractor shall provide participating students enrolled in JHS with:</p> <ul style="list-style-type: none"> • support and advocacy services, and • programs to assist in raising achievement, • on-time promotion to the next grade level, and • on-time completion of high school; and; • will also provide family outreach services designed to help parents/families to be partners in students' success. | <p>Performance measures:</p> <ul style="list-style-type: none"> • Minimum number students to be served' • Percentage of participating students will maintain an individual school attendance rate of 90% higher • Percentage of participating students will participate in the minimum of two hours per week of after school programming • Percentage of participating students will have obtained a minimum of six academic credits prior to entering next school year • The above measures to be reported to the CM in the following period: <ul style="list-style-type: none"> ○ Q1 (11/26/18), ○ Midyear (2/15/19), ○ Q3 (5/3/19), ○ Year End (7/12/19), and ○ Final Program Outcome (9/15/19) |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
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| 6 | <p>Contractor's Parent Involvement and Student Achievement program will expand PPS' capacity to improve student achievement by strengthening the relationship between schools and families at identified schools.</p> <p>Key elements are:</p> <ul style="list-style-type: none"> • Work one-on-one with the youth and families • Work in each school to build relationships with youth participants • During the first three weeks of student contact, the youth Advocate will meet the student once a week • Work with the student and their family to develop the student directed six-mo. Individual Service Plan • Will work one-on-one with the youth and families encouraging parental engagement in the schools • Contractor will encourage families to take part in the Parent Gatherings at contractor and participate in the eight week Positive Indian Parenting class as well as Trauma Informed Care, and sexual and reproductive health education • Will assist and educate parents so they gain an understanding of school systems and how to navigate them, including the IEP and 504 process, as well as support for developing positive relationships within their families and with school staff. | <p>For performance measures:</p> <ul style="list-style-type: none"> • Target number or percentage of students served, parents served • Participating youth to increase attendance in second semester • Participating families to recognize and address barriers they face in advocating for their children's academic success as measured by contractor's Family Engagement scale in ETO database • Families to improve understanding of school programs and policies by participating in a variety of communication techniques as measured by parent survey • Parents to engage and monitor child(ren)'s progress as measured by ETO case notes and survey • Parents to improve understanding of instructional program and how to support and encourage student's learning in subject areas each year as measured by ETO case notes and survey were • The above measures to be reported to the CM in the following period: <ul style="list-style-type: none"> ○ Q1 (10/15/18), ○ Midyear (1/15/19), ○ Q3 (4/15/19), ○ Q4 and Final Report (7/15/19), ○ Final Program Outcome (9/15/19) |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
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| 7 | <p>Contractor shall provide course and workshop facilitation services to 10 high schools (Benson, Meek, Franklin, Cleveland, Grant, Lincoln, Madison, Metropolitan Learning Center, Roosevelt, and Wilson) and the six components are:</p> <ol style="list-style-type: none"> 1. Facilitation of four-credit Mindful Studies classes 2. Intro to Mindfulness workshops 3. 'Being Real' Workshops for 9th graders 4. Professional Development for PPS faculty 5. Equipment purchases 6. Pilot After-School Mindfulness Program <p>Other services within the SOW are:</p> <ol style="list-style-type: none"> 1. Serve as Tier 1 and Tier 2 intervention in all schools, supporting existing school-based mental health services 2. Provide trained, experience and pre-screened substitutes in the event of teacher absence 3. Will utilize its proprietary contractor curriculum and coordinate classroom instruction with teachers of record (faculty co-teachers) in each school | <p>For performance measures:</p> <ul style="list-style-type: none"> • Twice a year, contractor will conduct surveys of students' social-emotional learning gains from participating in the course, using quantitative and qualitative metrics. • Findings to be reported to PPS in March and August of 2019, aggregating the key learning outcomes of all enrolled students. • The results were to be tracked by race and ethnicity using PPS' diversity classifications. |
| 8 | <p>Contractor to provide Escalera/Early Escalera programming at Benson, Roosevelt, and Madison High Schools. Participants are support to identify their interest, explore careers, complete an 80-hour internship, earn their HS diploma, and enroll in a postsecondary institution.</p> | <p>For performance measures:</p> <ul style="list-style-type: none"> • Target numbers for Early Escalera sessions and Escalera sessions at Benson, Escalera sessions at Roosevelt, Escalera sessions and Early Escalera sessions at Madison • School Attendance of 90% of better • GPA of 2.5% or higher • Youth report increased school participation • Results due to CM in the 1st and 3rd quarter progress report (11/26/18 & 5/3/19), Mid-year (2/15/19), and final report (7/12/19) |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
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| 9 | <p>High quality translations that follow the DTP of the English original. Translations expected to be culturally, linguistically and developmentally appropriate.</p> <p>Contractor was also to provide translation services in Spanish, Somali, Chinese, and Russian in an as needed basis.</p> | <p>Performance:</p> <ul style="list-style-type: none"> • Exhibit A.1 "List of priorities for Reading and Writing for Contractor" listed the work to be completed at various dates |
| 10 | <p>Increase and strengthen Communicating and Learning at Home types of family involvement derived from J.L.Epstein.</p> <p>Contractor to provide parents/caregivers engagement service targeted to increase two-way communications and learning at home at three schools.</p> <p>Key elements:</p> <ul style="list-style-type: none"> • Work with Administration at three selected schools to create school specific family engagement plans for Black and multiracial students • Offer quarterly, individual meetings (at school, home, or other off-site location) with parents to provide support, information and strategies, to help them better communicate with the schools, be engage with their students' academic progress and learning • Offer quarterly workshops and other educational opportunities; focused on two content areas: Educational Advocacy and Culturally Specific Parenting • Parent Engagement Specialist to spend at least 1 day per week in each school in order to facilitate parent and/or student affinity groups to check-in with students. | <p>For performance measures:</p> <ul style="list-style-type: none"> • Target numbers for Early Escalera sessions and Escalera sessions • Target number or percentage of total number of families to be served • Number of quarterly workshops • Contractor to offer regular student affinity groups • Contractor to offer monthly parent affinity groups • Parent Engagement staff to conduct meeting at school, home, or other off-site location with families as needed and at least once per quarter per family • Increase knowledge in the following areas as reported by survey and/or evaluation: <ul style="list-style-type: none"> ○ Communicate child's learning style and needs Tools/strategies to better advocate, communicate, and collaborate with school administrators and teachers around issues of their child's socio-emotional development, literacy, and other academic areas ○ Tools and strategies for tracking and advancing their child's academic and socio-emotional progress ○ Techniques and strategies for supporting their child's learning at home and improving test scores and grades • All the above were indicated and to be reported to the CM on the 10th of every month for previous month and final report due on 7/15/19. |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
|----------|---|---|
| 11 | <p>Interpretation of work - to provide the following services:</p> <ul style="list-style-type: none"> • consecutive, simultaneous, and • VRI interpretation services; • Oral language interpretation - support the communication between linguistically diverse students, parents, and PPS staff in the following formats: <ul style="list-style-type: none"> ○ In person - both simultaneous and consecutive ○ Telephonic ○ Video | <p>Performance:</p> <ul style="list-style-type: none"> • Quality of services and responsiveness to PPS requests were assessed with various factors |
| 12 | <p>Contractor to provide 100 hours of tutoring to MEP eligible student who were unable to attend the MEP summer school.</p> | <p>Performance</p> <ul style="list-style-type: none"> • Contractor will provide pre and post assessment for each student and/or subject served |
| 13 | <p>Marysville, Whitman, and Woodmere schools entered into a partnership to engage students participating in summer programming with an academic component to the day.</p> | <p>For performance measures:</p> <ul style="list-style-type: none"> • Marysville - improved student attendance; attendance to be taken daily • Whitman - demonstrated growth in math measured by bridges intervention pre and post testing • Woodmere - students who attend Woodmere contractor camp will have better outcomes in their reading MAP assessment from Spring to Fall than grade level peers who did not attend |
| 14 | <p>Provide academic support and interventions as well as social emotional growth and development support to PPS HS aged students during summer 2019.</p> | <p>For performance measures:</p> <ul style="list-style-type: none"> • Scope & sequence must be provided by contractor • School engagement retention to be measured by attendance • The CBO Summer Data Collection Tool must be used (provided by PPS) • Student Survey (provided by PPS) • Passing of Essential Skills (if offered) • HS Credit Acquisition |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District set ermine if Objective is accomplished? |
|-----------------|---|--|
| 15 | Partnered with Rosa Parks to support the accelerated reading achievements of students. To provide a program and tutors who are trained in data-driven, explicit instruction reading program, demonstrate professional deportment, are culturally responsive, and are dedicated to accelerating student reading achievement. | For performance measures: <ul style="list-style-type: none"> • Provide a mid-year report detailing the progress of all participating students • Provide an annual report of program activities (goals, outcomes, assessments results, yearly activities, etc.) to the school and school district |
| 16 | To provide opportunities to prepare and place PPS students to: 1) participate in extended career learning opportunities; 2) engage in practical, hands-on work experience; and 3) gain valuable work-readiness skills. | Performance: <ul style="list-style-type: none"> • Contractor served as an intermediary organization to facility recruitment of industry and community partners • Assist the district in the development of up to 14 student internships sites and position • Provide required training opportunities for interns and ongoing guidance and support |
| 17 | Partnered with Irvington ES during the 2019/20 school year to support the accelerated reading achievement of early grade students. The data-driven, direct and explicit reading program will supplement the school's core program and established reading interventions. | For performance measures: <ul style="list-style-type: none"> • Share school-based assessment data with contractor to ensure the ongoing progress of current and past participating students • Provide a final report of program activities (goals, outcomes, assessment results, etc.) to the school and school district in June 2020 |



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| Contract | Specific deliverables, performance measures and expected outcomes | How will performance of the contract be measured? How will the District determine if Objective is accomplished? |
|-----------------|---|--|
| 18 | Cesar Chavez, Kelly, Rigler, and Scott schools entered into a partnership to engage students participating in summer programming with an academic component to the day. | <p>For performance measures:</p> <ul style="list-style-type: none"> • Cesar Chavez: goal to move 75% of students in the LoAverage category to the Average category • Kelly: students who attend will have better outcomes in their math MAP assessment from Spring to Fall than students who did not attend contractor summer camp • Rigler: students will keep or improve their reading proficiency and math skills during the summer (pre-test and posttest) • Scott: students will take a pre and post knowledge assessment per week and focus. Target is for students to attend 97% of days of contractor summer camp. |



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Appendix D: Additional Information for Recommendation 7

Recommendation 7 a) Develop adequately detailed guidance and expectation, and communicate that content with Contract Managers.

Providing adequately detailed guidance and expectations is critical, to ensuring fidelity with the implementation of this requirement. For example, currently unclear, is when the contractor and their employees are required to have the training courses completed. In our testing, we noted the one contract that identified one training course was required and did not state when the training course had to be completed. In the six contracts where the four mandatory training courses were listed, the contract states once the District has activated the PPS email account for the contractor and their staff, they have 30 days to complete the mandatory training. However, in order to create a PPS email account for the contractor and their employees, the contractor needs to provide the District with a list of employee names, and the contract does not state when the contractor is required to provide the list of employee names.

Examples of how, when the contractor and their employees are required to complete the training courses would be adequately detailed would be:

- Requiring the training to be completed within 30 days of the effective date of the contract
- Requiring the training to be completed prior to beginning contract work
- Requiring the training to be completed by a specified date

By providing Contract Managers with adequately detailed guidance and expectations related to when the contractor and their employees are required to complete the training course, the Contract Manager can ensure the applicable language is included in the contract.

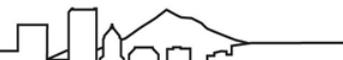
Recommendation 7 b) When developing the guidance and expectation, take into consideration the increased workload for Contract Managers to ensure compliance.

In our testing noted above, just for the four contracts listed in the Mandatory Training Tracking worksheet that listed the contractor's employee names, the Contract Manager would need to obtain and save a total 345 individual certification of completions.

Other options to ensure compliance in a more efficient way exist. For example, the Contract Manager could obtain a report from Pepper PD that would identify the names of everyone who took the training course during an identified time period. This report could be used to verify contractors and their employees had completed the training and would eliminate the need to obtain and save individual certifications of completion.

Additional ways to ensure compliance in a more efficient way include:

- Assign the task of confirming the contractor and their employees have completed the mandatory contractor training courses to a central District staff member. The



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assigned staff member would be able to create and maintain a master Mandatory Training Tracking worksheet. This would eliminate the need for each Contract Manager to create and maintain their own Mandatory Training Tracking worksheets.

- Train the assigned staff member to access and generate training reports from Pepper PD. This would eliminate the need for the Pepper PD training report to be generated for each Contract Manager. Further, as the assigned staff member becomes familiar with the Pepper PD reports and the master Mandatory Training Tracking worksheet, this staff member would be able to identify ways to improve the process to perform the task in a more efficient way.
- Require the training to be completed by a specific date. This would allow the assigned District staff member to run the report in Pepper PD the following day to confirm the contractor and their employees have completed each of the training all at once. This would reduce the number of times Pepper PD training reports would need to be generated.
- Provide the Mandatory Training Tracking worksheet template to the contractor and require the contractor to fill in the employee's names and the date the employee took each of the training. Include a statement at the bottom of the template that states that by submitting the worksheet to the District, the contractor is certifying each of their identified employees have completed the required training.

Recommendation 7 c) Include the list of mandatory training courses in applicable RFPs (or ITB).

The District provides the training courses to the contractors and their employees free of charge; however, the contractor will incur the payroll costs for each of their employees to take the training. For example, in our testing we noted one contractor had 58 employees that were required to take the training courses. The four mandatory training courses take approximately three hours to complete. As a result, that contractor would incur payroll costs for approximately 174 hours. We noted the payroll related costs could present a barrier for some contractors. By disclosing the list of mandatory training courses in the RFP, the contractor has the opportunity to take the payroll related costs they will incur into consideration when drafting their proposal.

Recommendation 7 d): Consult with the Office of Technology & Information Services (OTIS) to develop a streamlined process for the activation of the necessary PPS email address for the contractor and their employees to access the training courses in Pepper PD.

We noted the implementation of the mandatory training requirements for contractors requires the participation of OTIS. To provide contractors and their employees with access to Pepper PD, OTIS staff needs to create PPS email addresses for each of the contractors and their employees. By consulting with OTIS to develop a streamlined process for requests for PPS email addresses to be activated, the District will be able to ensure the email addresses are activated timely.

We also noted communication with OTIS related to workflow expectations would also help ensure the necessary PPS email addresses are activated timely. For example, the majority of contracts we tested had effective dates at the beginning of the school year (late August or early September) or for those that were for summer programs, at the beginning



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of summer (late May, or early June). By communicating this information with OTIS, OTIS management can better manage the workflow for OTIS staff needed to create and activate these accounts.

Recommendation 7 e) Consult with OTIS to determine if there is an option to make the trainings available on an alternative platform that does not require a PPS email address to access the training.

It may be possible to post the training in a platform that would not require a PPS email address. We recommend the District consult with OTIS to explore whether this could be an option.



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Appendix E: RESJ Investment Strategy



PPS RESJ Partnership Investment Strategy

Draft January 2020

In 2011, PPS adopted a Racial Educational Equity Policy that called out pernicious disparities in our schools and identified the district's role in eliminating them. Since then, PPS embarked on a five-year plan that resulted in several achievements. Coinciding with the policy's adoption, PPS began intentionally partnering with culturally specific and multiracial organizations in order to meet the goals laid out in the policy. Specifically,

Goal F states:

F. The District shall welcome and empower students and families, including underrepresented families of color (including those whose first language may not be English) as essential partners in their student's education, school planning and District decision-making...In addition, the District will include other partners who have demonstrated culturally-specific expertise – including government agencies, non-profit organizations, businesses, and the community in general – in meeting our educational outcomes.

Research also supports the rationale of this goal and the strategies underlying the relationships that were developed over years with our partner contractors.

This investment strategy outlines the values, strategies and operational guidelines to inform funding allocation for the 2020-2021 school year.

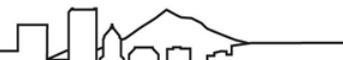
I. Portland Public Schools reimagined: Core Values

In May of 2019, the Portland Public School's Board of Education adopted PPS reimagined, a bold vision for our district. This vision focuses on what we want to be true for our graduates and paints a picture of the system we want to create. It serves as our "north star" that inspires collective action, guides strategies and drives growth.

Vision: A graduate of Portland Public Schools will be a compassionate critical thinker, able to collaborate and solve problems, and be prepared to lead a more socially just world.

In PPS reimagined, 10 core values are identified as needed to achieve our Vision. Our core values are our enduring beliefs that remain constant over time. The following core values particularly relate to our investment strategy:

Students at the Center: We believe that all students have the ability to succeed and that positive impacts on students are at the center of each decision and action. We believe that student voice is essential to understanding and solving the core issues of education and that including student voice is a top priority.



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Racial Equity and Social Justice: We believe in the fundamental right to human dignity and that generating an equitable world requires an educational system that intentionally disrupts and builds leaders to disrupt systems of oppression.

Excellence: We believe in rigor and high standards for all students and staff, and that achieving excellence and high performance is the result of the school system acting as a continuous learning organization.

Relationships: We believe that relationships are vital to our success. Authentic human connection, established through kind, caring relationships build trust, fosters understanding and strengthens our ability to work together toward shared aspirations.

Partnerships and Collaboration: We believe that together, we know and can achieve a great deal, and that by leveraging the collective actions of a group of committed stakeholders, we can achieve our Vision.

II. Approach and Strategies

Reflection about our vision, core values and system shifts along with the acknowledgement of persistent, racialized predictors for student outcomes calls on PPS to **strategically utilize and invest resources in a targeted manner to achieve racial equity and social justice**.

One of our approaches is to continue to partner with culturally specific and multiracial organizations to implement strategies in collaboration with PPS educators and leaders. This approach is grounded in the belief that culturally specific organizations are uniquely positioned to partner with PPS to support our racial equity and social justice goals.

Culturally Specific and Culturally Responsive Services

Despite a painful history and present day difficulties, the Portland community has learned more about how to provide services that respond to the unique needs and conditions of communities of color in order to eliminate racial disparities. The Coalition of Communities of Color in partnership with PSU's Center to Advance Racial Equity published guidance on distinguishing between culturally specific and culturally responsive services that other public agencies such as Metro, [Multnomah County](#), the City of Portland and the State of Oregon have used in their purchasing and procurement guidelines.

Culturally specific services are defined as services provided for specific populations based on their particular needs, where the majority of members/clients are reflective of that community, and use language structures and setting familiar to the culture of the target population to create an environment of belonging and safety in which services are delivered.

Culturally specific organizations refer to organizations with a majority of members/clients from a particular community. They have a culturally focused organizational identity and environment, a



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positive track record of successful community engagement and accountability recognition from the community served as advancing the best interest of the community.¹

“Culturally responsive services are those that are respectful of, and relevant to, the beliefs, practices, culture and linguistic needs of diverse consumer / client populations and communities whose members identify as having particular cultural or linguistic affiliations by virtue of their place of birth, ancestry or ethnic origin, religion, preferred language or language spoken at home. Cultural responsiveness describes the capacity to respond to the issues of diverse communities. It thus requires knowledge and capacity at different levels of intervention: systemic, organizational, professional, and individual.”²

Multiple jurisdictions spent significant time and effort to collaborate to articulate these shared definitions. From these definitions, jurisdictions also provided preference to incorporate the utilization of culturally specific and culturally responsive services in order to target resources to address populations most negatively impacted by systemic barriers and bias to advance positive and equitable outcomes.

Effectiveness of Culturally Specific Organizations

Research suggests that there are positive benefits to culturally specific service provision. The literature shows the value of such services in meeting the needs of communities of color, both in improving individual health and well-being outcomes and also improving social capital by engaging in community development and systemic advocacy.³ Research asserts that the benefits of investing in this approach include: increased engagement and improved outcomes for children of color, increased family engagement and community involvement, improved ability to address opportunity gaps in access to culturally relevant supports, and more inclusive decision-making.⁴ The most compelling research to support this approach points to the effectiveness of achieving outcomes. This is described further, “Three large comparative studies similarly find that culturally-specific services provide better outcomes for clients of color in the areas of being less likely to drop out of services, being more willing to return for service provision, using services more fully and being engaged in services for longer periods of time.”⁵ This means that long term partnerships with trusted culturally specific partners has a greater

¹ Curry-Stevens, A. Reyes, M.E., & Coalition of Communities of Color (2014). *Protocol for Culturally Responsive Organizations*. Center to Advance Racial Equity, Portland State University.

² Ibid.

³ Curry-Stevens, A., Deloney, G., & Morton, M. (2019). Rethinking Services with Communities of Color: Why Culturally Specific Organizations Are the Preferred Service Delivery Model. *Sociology Mind*, 9, 183-206. <https://doi.org/10.4236/sm.2019.93013>.

⁴ Lambarth, C.H., Cross-Hemmer, A., Mitchell, L., Green, B.L., K. (2019) Building the case for culturally specific P-3 strategies in Oregon: Listening to voices from the field. Portland, OR: Center for Improvement of Child & Family Services, Portland State University.

⁵ Curry-Stevens, A., & Muthanna, J. S. (2016). In Defense of Culturally-Specific Organizations: Understanding the Rationale and the Evidence. *Advances in Applied Sociology*, 6, 67-80.



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likelihood of meeting the needs of students of color. These studies pointed out the following factors that made the determination: the holistic nature of culturally specific services, the asset based approach to understanding client needs as opposed to seeing "pathologies," the culture of inclusion as opposed to clients being an "other," and the importance of the client-worker "match" in the ability to effectively serve clients.⁵ With research that supports the effectiveness of the approach of partnerships with culturally specific and multiracial organizations, PPS will focus on five supportive strategies.

RESJ Partnership Strategies

1. Culturally Specific Family Engagement
2. Wrap Around Services
3. Leadership Development and Mentoring
4. Extended Learning and Enrichment
5. Positive Cultural Identity Development and Student Advocacy

Strategy #1: Culturally Specific Family Engagement

Strategy Description:

Family engagement is a high leverage strategy that supports student learning and is designed to reduce or eliminate institutional barriers for families of color to advocate for the needs of their students. There is significant research that supports the effectiveness of family support, advocacy and encouragement with positive student achievement and outcomes.

Relevant Research

Family and community engagement policies are commonplace throughout the country and are supported by research that links parental involvement and family-school partnerships with indicators of student learning. There is significant research that supports this strategy and the resulting outcomes. In *Partners in Education: A Dual Capacity-Building Framework for Family-School Partnerships*, Karen Mapp, Ed.D (Harvard Graduate School of Education) outlines the opportunity conditions necessary for successful school partnerships that result in improved student achievement outcomes and school improvement. These include 1) Relational: focus on building respectful and trusting relationships between home and school, 2) Developmental: focus on building the intellectual, social and human capital of stakeholders engaged, 3) Collective/Collaborative: learning conducted in group settings that focus on building learning communities and networks and 4) Interactive: participants are given opportunities to test out and apply new skills.⁷ The framework emphasizes that the sole focus cannot be on parents and families alone because their increased capacity can often be met with resistance and lack of receptiveness. Instead the framework asserts that effective family engagement efforts must build the capacities of both staff and families to engage in partnerships. The ability

⁶ Ibid.

⁷ Mapp, Karen L. *Partners in Education: A Dual Capacity-Building Framework for Family School Partnerships*. SEDL, 2013. Pgs. 9-10.



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to build effective family engagement at the outset of the school experience is important in the execution of this strategy. In Oregon, a coalition of institutions have linked the importance of family engagement outcomes with the P-3 work and the effectiveness of culturally specific organizations at building parent confidence to support student learning at home and for interactions with teachers, administrators, school boards, service providers, and even elected officials.⁸

Strategy #2: Wrap Around Services for Student Success

Strategy Description:

Provision of culturally specific and culturally responsive services to support student academic and social success. This includes case management, academic tutoring/support, service referral, student groups, and progress monitoring. Wrap around services have a comprehensive approach to meeting the needs of students.

Relevant Research

Federal agencies such as the Centers for Disease Control, the Substance Abuse and Mental Health Services Administration, and the Department of Education utilize and hold up the wrap around model as an effective strategy that meets the needs of youth. Wrap around is a relational process individualized for students and families to achieve a positive set of outcomes through the provision of a comprehensive and integrated set of unique services and natural supports to build a foundation for academic success. Research shows that this approach does have positive impacts on academics and no negative effects.⁹ Further research on the wrap around model also contends that students and families of color are more effectively served when they share a cultural identity with the providers of those supports.¹⁰ This strategy gives students and families choice and the ability to work with culturally and linguistically matched services and providers as well as services rooted in culture and their shared experiences. Locally, several evaluation studies have affirmed the effectiveness of culturally specific services. Several partners can point to graduation rates for students of color which are higher than the district. Evaluation of these results affirms the importance of the role of culturally specific organizations providing holistic support.

Strategy #3: Mentoring/Leadership

Strategy Description:

⁸ Lambarth, C.H., Cross-Hemmer, A., Mitchell, L., Green, B.L., K. (2019) Building the case for culturally specific P-3 strategies in Oregon: Listening to voices from the field. Portland, OR: Center for Improvement of Child & Family Services, Portland State University.

⁹ Anderson Moore, K., Lantos, H. Jones, R., Schindler, A., Belford, J. and Sacks, V.(2017). Making the Grade: A Progress Report and Next Steps for Integrated Student Supports. Child Trends #2017-53.

¹⁰ Palmer, S., Vang, T., Bess, G., Baize, H., Moore, K., De La Torre, A., Simpson, S., Holbrook, K., Wilson, D. & Gonzales, J. (2011). Implementing Culture-Based Wraparound. In E. J. Bruns & J. S. Walker (Eds.), The resource guide to wraparound. Portland, OR: National Wraparound Initiative, Research and Training Center for Family Support and Children's Mental Health.



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Services are designed to provide positive relationship development and support to students to reduce disproportionate discipline rates and increase attendance and a sense of belonging at school for students of color. This includes providing positive and diverse adult relationships that are reflective of students' culture and identity.

Relevant Research

Because of the demographic disparity between the staff in educational institutions and students experiencing the greatest opportunity gaps, researchers have studied the impacts of same-race teachers as a strategy to improve academic outcomes.¹¹ Research affirms the positive correlation between representative teachers on diverse students, and also affirms positive impacts on the school community. In a district where educators are not reflective of the diversity of the student population, a strategy of increasing representation among partner staff has been proven to increase student outcomes. Since the mid-1990's research has supported the importance of mentoring relationships for adolescents. Researchers identified effective mentoring that produces a meaningful and healthy relational connection is essential to student development and engagement in their education and correlates to engaging students previously disinterested in education, prepares students for life beyond the classroom, improves student academic performance, student attendance and reduced drop out rates.¹² Culturally specific services that connect effective programming with mentors reflective of the culture and lived experiences of students of color will make significant academic and social impact.

Strategy #4: Enrichment, Extended Day

Strategy Description:

Programming provides safe, structured and engaging activities to enhance and expand the learning of students outside of school hours. This includes after school programming and enrichment activities. Enrichment activities provide opportunities for students to pursue learning in their own areas of interest and strengths. Research has shown that students engaged in these activities can lead to increased academic performance and attendance.

Relevant Research

For many years, community schools have been lauded as an effective strategy in school transformation. A key component of community schools is expanded learning time and opportunities. Research evidence asserts that expanded learning time and opportunities such as longer school days and academically rich and engaging after-school, weekend, and summer programs are associated with positive academic and non-academic outcomes, including

¹¹ Gershenson, S., Hart, C., Lindsay C., Papageorge N. (2017) The Long-Run Impacts of Same Race Teachers. IZA Institute of Labor Economics. IZA DP No. 10630.

¹² Blair, C. and Lindt C. Making a Difference with At-risk Students: The Benefits of a Mentoring Program in Middle School. Association for Middle Level Education. Middle School Journal. January 2017.



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improvements in student attendance, behavior, and academic achievement.¹³ PPS partners with Multnomah County's SUN (Schools Uniting Neighborhoods) Service system to deliver after school programs and enrichment and extracurricular activities. Several of the service providers are culturally specific organizations. This strategy will complement existing SUN extended learning programming.

Strategy #5: Student Advocacy/ Positive Cultural Identity Development

Strategy Description:

Programming provides participating youth with exposure and opportunity to engage in activities that empower them to embrace a confident and positive cultural identity while preserving and sharing cultural heritages and traditions amongst their peers. Activities provide opportunities for students to learn and practice new methods of self-expression in a safe and culturally affirming environment.

Relevant Research

Research points to the importance of positive self identity development for students to ensure academic and social and emotional success in schools. Sociologists and educators agree that preadolescence and adolescence are critical times when self identity in relationship to cultural identity are formed. Students of color have to contend with developing a positive self identity within a school and community context of institutional racism. And because of the racist cultural narratives present in education institutions this is difficult without the ability and support to challenge and critique the system. Services and programming that provide critical pedagogy can empower students of color. When students develop a deeper understanding of their culture and racial consciousness, they can critique and identify racism which increases the opportunity to act and affirm a positive self identity.¹⁴ By coupling advocacy and racial identity development students are able to develop competency in sociopolitical development and analysis, social and community problem solving, decision making, healing and spiritual development, community well being and just institutional practices.¹⁵ Education experts have emphasized the importance of culturally relevant instruction that affirms student's cultural practices, traditions and context as a means through their inclusion in content, instruction and classroom climate. This strategy emphasizes the importance of both providing positive and affirming cultural activities that celebrate culture while also providing activities that empower students through advocacy.

III. Impact and Outcomes

¹³ Maier, A., Daniel, J., Oakes, J., & Lam, L. (2017). Community schools as an effective school improvement strategy: A review of the evidence. Palo Alto, CA: Learning Policy Institute.

¹⁴ Chen H. (2005). Ch. 2 The Rationale for Critical Pedagogy in Facilitating Cultural Identity Development. Curriculum and Teaching Dialogue, Greenwich, CT: Information Age Publishing.

¹⁵ Ginwright, S. and James T., (2002) From assets to agents of change: Social justice, organizing, and youth development. New Directions for Youth Development, No 98 Winter. Wiley Periodicals, Inc.



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PPS currently contracts with culturally specific partners in these strategy areas (not including student advocacy/student identity development). Over the past three years, PPS has moved to collect comprehensive and shared outcomes across the various contracts.

Current Outcomes:

1. Culturally Specific Family Engagement

- Number of students served
- Number of families served
- 75% of youth will increase attendance
- 75% of participating families will recognize and address barriers they face in advocating for their children's academic success as measured
- 75% of families will improve understanding of school programs and policies by participating in a variety of communication techniques as measured by parent survey,
- 75% of families of parents will improve understanding of instructional programs and how to support and encourage student's learning as measured by case notes and parent survey.
- Increased two way communication and relational engagement between schools and families
- Increased learning at home and linked to learning family engagement

2. Wrap Around Services and Mentoring and Leadership

Attendance

- Percentage of served Students with an ADA of 90% or better
- Percentage of served Students with an ADA of 80%-89%
- Percentage of served Students with an ADA below 80%

GPA

- Percentage of served Students with a GPA of 4.0 or better
- Percentage of served Students with a GPA of 3.0 or better
- Percentage of served Students with a GPA of 2.5 or better
- Percentage of served Students with a GPA of under 2.5

Discipline

- Percentage of served Students with zero discipline issues
- Percentage of served Students with one or more 2/3 incidents
- Percentage of served Students with one or more exclusions

Throughout the Portland community, other jurisdictions and funders have engaged in measuring the impact of education funding. A survey of other funders shows significant alignment in outcomes and the potential for shared reporting and tracking of the impact of our partnerships.



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Shared Community Wide Outcomes (from Meyer Memorial Trust, All Hands Raised, OCF, Portland Children's Levy)

- Increase the number of priority students entering kindergarten ready to learn and achieve
- Increase the number of priority students in third grade reading at benchmark
- Increase priority student attendance
- Increase the number of priority students on track in ninth grade
- Increase the high school graduation rate for priority students
- Increase priority student postsecondary enrollment and/or readiness to enter the workforce
- Increase STE(A)M, CTE and trade career opportunities for priority student populations
- Increase community participation in education systems and improve alignment between communities and education institutions
- Create systems- and policy-level change to advance equitable education
- Increase the number of stable organizations
- Expand the role of community-based organizations in system leadership and decision-making
- Increase education workforce diversity

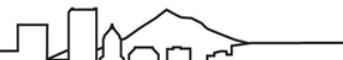
Recommended Measures/Reporting for Partners:

1. Culturally Specific Family Engagement

Staff Diversity and Qualifications
Funding leveraged from other sources
of Students Served
of Families Served
Ready for Kindergarten
3rd Grade Reading
5th Grade Math
Attendance
Parent ability to address barriers
Parent knowledge of PPS vision, SP and Priorities
Parent sense of belonging

2. Wrap Around Services

Staff Diversity and Qualifications
Funding Leveraged from other sources
of Students Served
Attendance
9th Grade On track
Post Secondary Readiness
Graduation/Credit attainment



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Attainment of the PPS reimagined Graduate Portrait attributes

3. Mentoring/Leadership Development

- Staff Diversity and Qualifications
- Funding Leveraged from other sources
- # of Students Served
- Service to student match
- Attendance
- Discipline
- Academic Goals
- MAP Assessment
- Attainment of the PPS reimagined Graduate Portrait attributes

4. Extended Learning/Enrichment

- Staff Diversity and Qualifications
- Funding Leveraged from other sources
- # of Students Served
- Attendance
- Discipline
- Academic Goals
- Map Assessment
- Attainment of the PPS reimagined Graduate Portrait attributes

5. Student Advocacy/Student Identity

- Staff Diversity and Qualifications
- Funding Leveraged from other sources
- # of Students Served
- Attendance
- Discipline
- Academic Goals
- MAP Assessment
- Attainment of the PPS reimagined Graduate Portrait attributes

PPS Reporting and Accountability

PPS will support our partners in reporting of their outcomes aligned to board goals as well as other measure of student achievement, attendance and discipline as part of our ongoing



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evaluation of PPPS' vision, strategic plan and RESJ framework and plan. The Superintendent and PPS leadership will meet quarterly with partners to review progress and challenges using shared information and data to understand progress toward our aligned goals. Elements of evaluation can include but are not limited to the following elements:

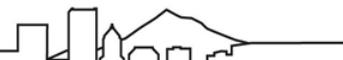
1. Racial Disparity analysis by served/not served for each school
2. Board Goals
3. Racial Disparity analysis by served not served SSS Survey
4. Funding/Resources Leveraged
5. School Improvement

IV. SY 2020/21 Recommended Funding Allocation and Operational Guidelines

The chart below outlines a recommended funding allocation for the 2020/21 school year. This will inform the RFP process.

Chart 1: 2020/21 Recommended Funding Allocation

| | Culturally Specific Family Engagement | Wrap Around Services | Mentoring Leadership Development | Extended Learning/ Enrichment | Student Advocacy/ Student Identity Development |
|-----------------------|--|---|---|--------------------------------------|---|
| Current Amount | \$897,450 | \$3,095,001 | \$573,161 | \$148,200 | N/A |
| Current Sites | Citywide + Roosevelt, Benson, Madison, Jefferson, Beaumont, Lent, Lane Kelly, Harvey Scott | Jefferson, Madison, Roosevelt, Franklin, Benson | Franklin, Cleveland, Madison, Roosevelt, Roseway Heights, Harrison Park, Vestal, Arleta, Harriet Tubman, Beach, Astor, Lent, Beaumont, Chavez, Rosa Parks | Districtwide | N/A |
| Student Focus | Pre-K Grade School | High School + 8th Grade | Middle School + 9th Grade | Middle School | Middle School |



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| | | | | | |
|----------------------------------|---|--|--|--|--|
| Suggested Site Priorities | Sitton, Rigler, Boise, Scott, Rosa Parks, Chavez, Lent, Vestal, Chief Joseph, Kelly, Sabin, Lee, Woodlawn, Whitman, Grout | Jefferson Roosevelt Alliance Madison Franklin Benson | Chavez, Lent, Bridger, Lane, Ockley, George, Roseway Heights, Tubman, Faubion, Harrison Park | Chavez, Lent, Bridger, Lane, Ockley, George, Roseway Heights, Tubman | Chavez, Lent, Bridger, Lane, Ockley, George, Roseway Heights, Tubman, Faubion, Harrison Park |
|----------------------------------|---|--|--|--|--|

Recommended Operational Guidelines

Contracting and Procurement:

1. Develop and vet Investment Priorities that clearly articulate the approach and rationale for funding recommendations.
2. Develop competitive funding process that aligns to Investment priorities.
3. Align timing of competitive process with district budget development and school staffing timelines. Align timing of award notification and contract development prior to the end of the school year to allow for transition and relationship development for upcoming contract service and school year.
4. Utilize logic models to develop shared outcomes.

Policy Alignment:

1. Ensure that PPS legal team be part of contract review to ensure alignment with cross cutting district policies. Eg. training requirements for whitehurst
2. Ensure that contract outcomes align with PPS reimagined, Board Goals, Strategic Plan and subsequent measurements in collaboration with the Office of School Performance

Relationship Building:

1. The Superintendent and RESJ Office should convene contractors quarterly to discuss shared outcomes. PPS leadership from the instructional leadership team and school leaders should participate in quarterly convenings.
2. Integrate principals and Office of School Performance team into planning, contract development and negotiation process.
3. Define and outline expectations of PPS in partnership with contractors to include:
 - a. Space



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- b. Staff contacts
- c. Review of data and performance
- d. Inclusion of partners in school improvement process
- e. Communication protocols
- f. Program outreach to students and parents, co-selection of priority students

Communications and Impact:

- 1. PPS will regularly publish programming and progress of contractors.
- 2. PPS will develop web page that describes partnerships, partners and impact



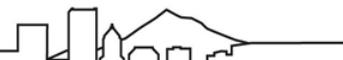
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Appendix F: RESJ Partnership Logic Model

RESJ Partnerships Logic Model

For each proposed strategy, list the proposed activities and impacts.

| Strategy | Activities | Project Quarterly Outputs | Annual Outcomes/ Measures | Impacts |
|--------------------|---|--|--|--|
| Description | Processes, actions, and events through which the program resources achieve the intended outcomes; they are the steps in implementing a program. Examples include collaborating with partners, school events, student services, workshops with community, case management or group sessions. | Tangible, often process-oriented results or products typically expressed in numbers, such as number of students served, numbers of groups held, and number of books read. While outputs provide information derived from the completion of program activities, they cannot indicate whether a change has occurred. For example, an output can tell you how many students attended activities but not whether the activity increased the student's academic performance. (Use the list below to provide information) | Changes in program participants' knowledge, beliefs, and behavior due to their involvement in the program. Select from the list below and provide information. | Impacts are a program's lasting influences. Like short- and mid-term outcomes, long-term outcomes can be changes in knowledge, beliefs, and behavior. Examples include higher student achievement scores, increased high school graduation rates, and greater college acceptance rates. Include the estimated % increase for each of the annual Outcome Measures. |
| #1 CFSE | | Staff Diversity and Qualifications Funding Leveraged from Other Sources # of Students Served # of Families Served | Ready for Kindergarten 3 rd Grade Reading 5 th Grade Math Attendance Parent Ability to Address barriers Parent knowledge of PPS vision, SP and priorities | |



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| | | | | |
|---|--|--|--|--|
| | | | Parent sense of belonging and connection to the school community. | |
| #2 Wrap Around | | Staff Diversity and Qualifications Funding Leveraged from Other Sources # of Students Served # of Families Served | Attendance 9 th Grade On track Post-Secondary Readiness Graduation/Credit Attainment Attainment of the PPS reimagined Graduate portrait attributes. | |
| #3 Leadership Development and Mentoring | | Staff Diversity and Qualifications Funding Leveraged from Other Sources # of Students Served Service to Student Match | Attendance Discipline Academic Goals MAP Assessment Attainment of the PPS reimagined Graduate portrait attributes. | |
| #4 Extended Learning | | Staff Diversity and Qualifications Funding Leveraged from Other Sources # of Students Served | Attendance Discipline Academic Goals MAP Assessment Attainment of the PPS reimagined Graduate Portrait attributes. | |
| #5 Positive Cultural Identity Development and Student Advocacy | | Staff Diversity and Qualifications Funding Leveraged from Other Sources # of Students Se | Attendance Discipline Academic Goals MAP Assessment Attainment of the PPS reimagined Graduate Portrait attributes | |



**Internal Performance Audit Report
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Appendix G: Board Cover Memo



PORTLAND PUBLIC SCHOOLS

OFFICE OF YOUR DEPARTMENT

501 North Dixon Street / Portland, OR 97227

Telephone: (503) 916-XXXX / Fax: (503) 916-XXXX

Date: (Month 00, 2019)
To: School Board
From: (Name, Title)
Subject: Cover Memo for Personal Services Contracts for Student, Instructional, or Family Engagement Services on the Board Contracts Agenda

Contract Number:

Contractor Name:

Program Name and Description:

Contract Manager: Name, Title

Memo Prepared By: Name, Title

Senior Leadership Review By: Name, Title

1. How was this contract procured?

Request for Proposals

Date of solicitation:

OR

Direct Negotiation

If directly negotiated, how and why was this contractor selected?

Why was competition deemed impractical?

2. Student or family population to be served, including how the racial equity lens was applied in determining this population and scope of work: (e.g., applicable schools and grades, number of students, student demographics)

3. Location of services:

4. This contract is for (choose one):

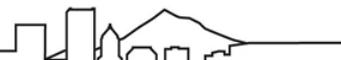
A new scope of work or new contractual relationship with this contractor

OR

An amendment or renewal of an ongoing contractual relationship

Revised 090919

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If an amendment or renewal:

Summarize data/outcomes from prior year or prior contract period. Was the contract effective? What steps were taken and/or what objective data was collected and analyzed by District staff to assess contract effectiveness?

(For school-based services) Describe any input gathered from principals, educators, or other school staff regarding contractor performance and contract outcomes:

List any prior targets or goals that were not met:

Describe any change from prior year scope, new deliverables, or plan for improvement in this contract. If there were deficiencies in performance, or if prior goals were not met, how is the new scope, new deliverables, and/or new monitoring processes designed to improve performance and outcomes?

- |
5. Rationale/justification for this expenditure:
 6. To what extent were principals and/or school staff involved in determining the scope of work and contract goals?
 7. Briefly describe the SMART (Specific, Measurable, Achievable, Relevant, and Time-Bound) goals included in this contract scope.

How will the District assess attainment of the SMART goals?

Monitoring timeline/key dates:

8. Funding for the first year of this contract exists in the following account (list applicable funding source/ Account Codes):

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