



Supplier Orientation Guide



Presentation to: Department of Community Health's Contract and Grant Suppliers
Presented by: Office of Procurement Services Contract Compliance



Mission

The Georgia Department of Community Health

We will provide Georgians with access to affordable, quality health care through effective planning, purchasing and oversight.

We are dedicated to A Healthy Georgia.

The Office of Contract Compliance

- The Department of Community Health's (DCH) Office of Contract Compliance is charged with ensuring supplier compliance with contract terms.
- Each contract is assigned a **Contract Compliance Professional** who partners with the contract's Business Owner to provide performance oversight.



The Office of Contract Compliance

Contract Compliance works collaboratively with internal stakeholders to:

- ✓ Ensure contract terms, deliverables and responsibilities are aligned with the business need, performance based, measurable and enforceable.
- ✓ Mitigate the risk of performance concerns.

The Office of Contract Compliance

- ✓ Promptly address performance issues to prevent adverse impact to the successful achievement of contract purpose.
- ✓ Ensure contract payments are aligned with contract specifications and supplier's progress.
- ✓ Facilitate the corrective action process which may include the assessment of liquidated damages if required by contract.



Contract Compliance Structure

- ❖ Generally, Contract Business Owners have primary responsibility for supplier monitoring.
- ❖ Desk audits and Onsite Visits are routinely conducted to ascertain supplier compliance.
- ❖ Contracts are monitored based on assigned risk.

Contract Compliance Structure



- Risk is calculated based upon contract's: (1) Term (2) Cost and (3) Consequence of Failure.
- The intensity of monitoring is directly correlated to the level of risk (i.e., riskiest contracts receive the highest level of monitoring).

Contract Compliance Structure

Contracts are categorized into three risk levels:

- ❖ Level 1 (Low Risk): Performance is monitored by the Business Owner; therefore invoices are approved and performance assessments are conducted solely by the Business Owner. Performance Reports are submitted annually.

Contract Compliance Structure

- ❖ Level 2 (Medium Risk): Performance is monitored by the Business Owner; therefore invoices are approved and performance assessments are conducted solely by the Business Owner. Performance Reports are submitted twice per year.

Contract Compliance Structure

- ❖ Level 3 (High Risk): Contract Compliance and the Business Owner partner in monitoring Level 3 contracts.
- ❖ The Contract Compliance Manager and Business Owner jointly:
 - Communicate and meet with Supplier
 - Monitor and assess supplier's performance
 - Review invoices for payment
 - Conduct onsite audits

Performance Report Process



Step 1

Business Owner reviews supplier's performance and assesses compliance with contract terms ¹



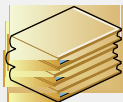
Step 2

Contract Compliance reviews assessment and develops Performance Notice to supplier which will outline if any follow up action is required



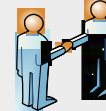
Step 3

Supplier receives Performance Notice and provides a Corrective Action Plan if requested



Step 4

CAP is reviewed and approved jointly by Contract Compliance Manager and Business Owner



Step 5

Approved CAP is incorporated into Performance Report so progress is officially monitored for compliance in future assessments

¹For the agency's riskiest agreements

(Level 3), Contract Compliance is directly involved with this assessment



Supplier Role

- ❖ DCH's Contract Compliance strategy relies heavily on supplier participation.
- ❖ Suppliers are required to:
 - Obtain a thorough understanding of the contract and its requirements.
 - Participate in meetings with DCH representatives, upon request.
 - Respond in a timely fashion to requests for follow up action, information or other type of requests.

Supplier Role

- Perform in accordance with contract responsibilities, deliverables and other terms.
- Produce invoices that are compliant with invoice terms.
- Perform work that is outlined in the contract or amendment (suppliers should not perform any work outside the contract or amendment{s}).
- Understand and comply with relevant agency policies.
- Report performance matters that may impact ability to successfully meet contract objectives in a timely fashion.

DEFINITIONS

- **Business Owner-** A member of the DCH Performance Monitoring Team who, along with the Contract Compliance Manager, is responsible for the monitoring of an assigned agreement.
- **Contract-** Any supplier agreement where there is a legal obligation to provide services to DCH on behalf of its members or citizens of Georgia. This includes both contract and grant agreements.
- **Internal Stakeholders-** A term used to refer to the Business Owner, Contract Compliance Manager, Contract Specialist, and Procurement Specialist involved with the activities of the contract.

DEFINITIONS

- **Performance Monitoring Team-** A term used to refer to the DCH Business Owner and Contract Compliance Manager responsible for the monitoring of a specific agreement.
- **Supplier-** The entity who has a contract to provide services to DCH on behalf of its members or citizens of Georgia. A supplier may be a contractor or grantee.
- **Contract Compliance-** The practice of monitoring and managing assigned agreements.

Next Steps

- ❖ You may contact Contract Compliance by electronic mail, telephone, or request an in-person meeting to obtain additional information about Contract Compliance and its processes.
- ❖ You may submit general questions regarding the monitoring of contracts to contract.compliance@dch.ga.gov.

