



COMMUNITY AND SENIOR SERVICES
OF LOS ANGELES COUNTY

DIRECTIVE

NUMBER: CD-09-01

SUBJECT: Addressing Areas of Non-Compliance

DATE: January 21, 2009

EFFECTIVE DATE: January 1, 2009 Page 1 of 1

TO: ALL CSS CONTRACTORS:

BACKGROUND

In response to monitoring and audit findings from our funding sources, these protocols have been established to address areas of non-compliance by our contractors.

PURPOSE

The purpose of this Directive is to provide all Community and Senior Services (CSS) contractors with the protocols for addressing areas of non-compliance.

The attached CSS Contractor Protocols for Addressing Areas of Non-Compliance describes the process that CSS will follow when a contractor is non compliant, including sanctions only when attempts to resolve areas of non-compliance have been unsuccessful. Attachment 1 of the protocol document includes the type of sanction that will be imposed based on the area of non-compliance.

Please forward a copy of this Directive and its attachments to all staff involved with the administration of programs operated on the behalf of CSS.

If you have any questions regarding this Directive or need an electronic copy of this document, please contact Jackie Lynn Sakane at (213) 739-7321.

REFERENCES:

CSS Standard Terms and Conditions

A handwritten signature in black ink, appearing to read "M. Quinn", written over a horizontal line.

MARGARET QUINN

Assistant Director

Administrative Services Branch

COMMUNITY AND SENIOR SERVICES (CSS) PROTOCOLS FOR ADDRESSING AREAS OF NON-COMPLIANCE

PURPOSE

The purpose of this document is to establish protocols when addressing areas of non-compliance by our contractors, including sanctions only when attempts to resolve areas of non-compliance have been unsuccessful.

ATTEMPTS AT ADDRESSING AREAS OF NON-COMPLIANCE

Two attempts will be made to retrieve documentation from a contractor that addresses the non-compliance issue(s) (i.e., required contract documents, Single Audit Report, corrective action plans, performance reports, etc.) as follows:

- The first attempt will be made by a Division's Project Supervisor through written letter to the contractor Executive Director/Program Director requesting the documentation needed to resolve the non-compliance issue. Copies of the email will be sent to the Project Supervisor's Program Manager;
- The second attempt will be made by the Division's Manager through a written letter to the contractor's Executive Director/Program Director requesting the documentation referring to the email sent by the Project Supervisor. The letter will request the documentation needed to resolve the non-compliance issue or a Corrective Action Plan within 10 days. Copies of the letter will be maintained by the respective Division Manager and Project Supervisor;
- Failure on the part of a contractor to comply after the second letter has been sent by the respective Division Manager will result in sanctions being applied to that contractor.

SANCTION AUTHORITY

CSS Standard Terms and Conditions, provides CSS authority to sanction a contractor for non-compliance. Only the Administrative Services Branch has the authority to apply sanctions to a contractor. Sanctions will be applied by the Contracts Management Division and Contract Compliance Division managers of the Administrative Services Branch based on information provided to them by a Division Manager of the non-compliance by a contractor.

SANCTION TYPES

There will be four types of sanctions that CSS will impose on their contractors to address instances of non-compliance as follows:

- Probation (monitoring contractor's non-compliance, which if continued could impact future client referrals, additional funding, etc.,);
- Suspension of payments;
- Suspension of contract services;
- Termination of contract.

The type of sanction will depend on the area of non-compliance and will be determined by the Contracts or Compliance Manager. See Attachment 1 for areas of non-compliance and applicable sanctions. In addition, the Contracts and Compliance Managers will determine which contractor program(s) will be sanctioned depending on the instance of non-compliance.

APPLICATION OF SANCTIONS

If the two attempts to resolve the non-compliance issue have been unsuccessful, the Contracts and Compliance Manager will issue a Sanction Letter addressed to the contractor's Executive Director/Program Director. The sanction letter must include:

- The type of sanction being applied;
- The reason for the sanction including inclusion of contract language authorizing CSS to apply sanctions;
- The non-compliance issue quoting contract, law or regulation violation;
- Copies of the letter being sent to the Program Manager and Assistant Director over the program impacted, Finance Manager, and the Administrative Deputy;
- In addition copies need to be sent to the City Manager (if applicable) or Board of Directors Chair (if applicable) of the contractor and any Board of Supervisor Deputy sitting on the contractor's Board.

See Attachment 2 for a sample letter.

Sanctions will be in effect until the contractor becomes compliant or June 30th of any given fiscal year whereby CSS will release the sanction but will consider the non-compliance of the contractor during future funding decisions.

Failure on the part of a contractor to repay questioned/disallowed costs will result in a withholding of payments from a contractor either during a program year or at year end close-out.

Contractors may appeal CSS' application of sanctions by sending their request for appeal to CSS' Administrative Services Branch Assistant Director at 3175 W. 6th Street, Los Angeles, CA 90020. An appeal hearing will be scheduled and heard by a CSS hearing officer(s).

COMMUNICATION WITH BOARDS RELATING TO APPLICATION OF SANCTIONS

The Chief Deputy and/or the Administrative Deputy will notify the Board of Supervisors and the Assistant Director of the program impacted will notify all other governing boards, when a contractor is sanctioned.

RELEASE OF SANCTIONS

Sanctions will be released upon compliance by the contractor. The Release of Sanctions letter will include the following:

- Reference to the original sanction letter and include as an attachment;
- Statement indicating that sanctions are released based on receipt of documentation, etc., received from the contractor. Letter should be specific as to the type of documentation, etc., received;
- Copies of the letter will be provided to all parties copied on the original sanction letter.

See Attachment 3 for a sample letter.

COMMUNICATION WITH BOARDS RELATING TO RELEASE OF SANCTIONS

The Chief Deputy and/or the Administrative Deputy will notify the Board of Supervisors and the Assistant Director of the program impacted will notify all other governing boards, when a contractor's sanctions have been released.

MAINTENANCE AND DISTRIBUTION OF SANCTIONS LISTING

The Contracts Management Division will maintain a listing of all contractor sanctions on MOSS.

FINAL
January 2009

CSS Protocols for Addressing Areas of Non-Compliance

Areas of Non-Compliance/Applicable Sanctions

Attachment 1

Area of Non-Compliance	What is Required to Remedy	Sanction to Apply
<p>Lack of submission of requested documents, reports, plans from contractor</p>	<p>Submission of documents, reports, etc., (i.e., required contract documents, program reports, single audit reports, corrective action plans) by contractor.</p> <p>A list of required contract documents is attached, but could include others at the request of CSS.</p>	<p>Probation or suspension of contract payments</p>
<p>Serious client complaints including but not limited to health and safety of clients, client abuse, etc.,</p>	<p>Receipt of corrective action plan from contractors and resolution of areas noted in client complaint and any other areas of non-compliance based on CSS on-site visit.</p>	<p>Probation or suspension of contract payments or services</p>
<p>Performance outcomes</p>	<p>Receipt of corrective action plan from contractor indicating when performance will be met.</p>	<p>Probation or suspension of contract payments or services</p>
<p>Unresolved finding and/or questioned costs</p>	<p>Resolution of all audit and monitoring findings including questioned costs within prescribe timeframes.</p>	<p>Suspension or withholding of contract payments</p>
<p>Investigation of Allegations</p>	<p>Access to all facilities, records, etc., in order for investigation of allegations to take place. Full cooperation with all County, State, and Federal officials. NOTE: Failure to comply may result in a suspension of contract payments or services or contract termination if contractor does not comply.</p>	<p>Suspension of contract payments or services or termination of contract</p>

CSS Protocols for Addressing Areas of Non-Compliance

Areas of Non-Compliance/Applicable Sanctions

Attachment 1

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CYNTHIA D. BANKS
Director

**COMMUNITY AND SENIOR SERVICES
OF LOS ANGELES COUNTY**

3175 WEST SIXTH STREET • LOS ANGELES, CA 90020-1708 • (213) 738-4519 (213) 351-5125 FAX

"To Enrich Lives Through Effective And Caring Service"

BOARD OF SUPERVISORS

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ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

October 10, 2008

ATTACHMENT 2

Mr. John Doe
XYZ Agency
3175 W. 6th Street
Los Angeles, CA 90020

Dear Mr. Doe:

RE: NOTICE OF SUSPENSION OF PAYMENTS

This is to notify you that payments to your agency have been suspended in accordance with your contract with our office, Standard Terms and Conditions Sections 59, 72-80. Sanctions have been imposed due to the failure of your agency to submit a Single Audit report for the program years 2007-2008, which encompassed the fiscal year ended on September 30, 2007.

Office of Management and Budget Circular A-133 and the California Department of Aging require an annual Certified Single Audit Report and reconciling SEFA schedule to be submitted no later than nine months from the end of the contract period; and taking into consideration the September 30, 2007 fiscal year for your agency; that Single Audit was due June 30, 2008.

Please note that payments will be reinstated upon satisfactory acceptance of your "Single Audit" report for the above period by our office. Such report must be in compliance with OMB Circular A-133.

Please contact us if you have any questions, or if you need additional information

Sincerely,

Carol Domingo,
Contracts Manager

Jackie Lynn Sakane,
Compliance Manager

C: Brenda Sapp Pradia
Mina Ha Nyugen
Rogelio Tapia
Margaret Quinn



CYNTHIA D. BANKS
Director

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October 31, 2008

ATTACHMENT 3

Mr. John Doe
XYZ Agency
3175 W. 6th Street
Los Angeles, CA 90020

Dear Mr. Doe:

RE: REINSTATEMENT OF PAYMENTS

On October 10, 2008, you were notified that payments to your agency were being suspended for failure to submit a Single Audit report by the required due date (see attached letter).

This is to notify you that we have received and accepted your agency's Single Audit Report and are reinstating payments to your agency effective immediately.

Please contact us if you have any questions, or if you need additional information

Sincerely,

Carol Domingo,
Contracts Manager

Jackie Lynn Sakane,
Compliance Manager

C: Brenda Sapp Pradia
Mina Ha Nyugen
Rogelio Tapia
Margaret Quinn