

THE SCHOOL DISTRICT OF PHILADELPHIA

CONTRACT HANDBOOK



December, 2003

Table of Contents

Why Do I Need a Contract?	1
Limited Contracts.....	2
Limited Contract Checklist	2
Limited Contracts – Frequently Asked Questions	5
Limited Contracts and Standard Contracts –Amendments.....	6
Standard Contracts	7
Standard Contracts – Description of Services	7
Standard Contracts – What Do I Do Next?	8
Standard Contracts – Final Steps	9
Contractors Who Don’t Perform	10
Where Can I Get More Information?	10
List of Documents on OGC’s Web Site.....	11

OGC’s Contracts Web Site: www.phila.k12.pa.us/offices/legal/contracts.html

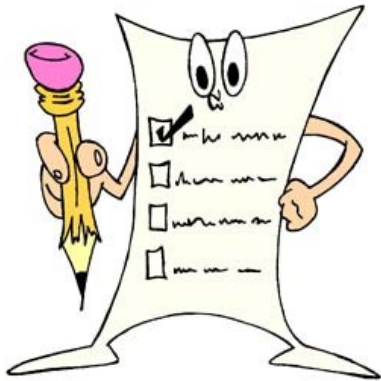
Questions about the status of a contract?	Contact: Le’Nita Marshall lmarshall@phila.k12.pa.us 215-299-2573
Questions about preparing a standard contract?	Contact: Paul N. McCarthy pnmccarthy@phila.k12.pa.us 215-299-7676
Questions about preparing a limited contract?	Contact: Mary R. Pekala or Edward H. Salomon mpekala@phila.k12.pa.us (979-8125) esalomon@phila.k12.pa.us (299-7676)

Why Do I Need a Contract?

Under state law, the School District can enter into a contract only if it is authorized to do so by the School Reform Commission. The School Reform Commission has in place two methods of authorization.

- The first is through the resolution process. That process must be followed for all contracts for an amount over \$25,000 (**standard contracts**).¹
- The second process is for smaller contracts – those under \$25,000 (**limited contracts**). Instead of needing a resolution for each contract for under \$25,000, the School Reform Commission has passed one resolution authorizing a Limited Contract Review Committee to evaluate and approve those contracts.

You must prepare a contract (either a standard or a limited contract) if you are purchasing professional services with District funds. Professional services are services that require the contractor to have expertise in a particular area. Examples of professional services include:



- Professional development for teachers
- A consultant for a school or administrative office
- An artist for an artist-in-residence program at a school or a presenter, such as a speaker or a dance ensemble, at an assembly
- Any kind of program for students, such as a violence prevention program

The School Reform Commission or the Limited Contract Review Committee must authorize the contract before a vendor starts to work for the District. Without a valid contract there is no way to ensure that the District will get what it pays for or that it will be able to take appropriate legal action against the vendor if something goes wrong. Please note that the District's Accounts Payable department will not pay a contractor unless there is a signed contract between the contractor and the District.

¹ You may call the Office of School Support at 215-299-3652 or Pam Wilkinson at 215-299-7825 for directions on preparing resolutions or view sample resolutions on OGC's contracts web site (www.phila.k12.pa.us/offices/legal/contracts.html).

LIMITED CONTRACTS

If you want to contract with a vendor for an amount under \$25,000, you can take advantage of an efficient mechanism set up to help you get the services you need when you need them – the Limited Contract Review Committee. The Limited Contract Review Process takes **at least four weeks** to complete so make sure you begin the process in plenty of time.

Limited Contract Checklist

In order to avoid delay and have your contract processed as quickly as possible, follow the steps listed below:

Limited Contracts – Preliminary Steps

- Make sure (1) you have funds available under the ‘Contracted Services’ line item in your budget in the District’s Advantage financial system; (2) the use of the funds is in line with your budget (*e.g.*, if the budget is for a Reading First grant, the contract must be for a reading-related program); and (3) the contract is for professional services and in alignment with District goals.
- Complete the process required by the Small Business Development Office. (*See* FAQ #1 below for more information).
- Obtain the contractor’s vendor number. If the contractor has never worked for the District before, send a W-9 form to the vendor, as described in FAQ #2 below.
- Complete an ‘SC document’ on the District’s Advantage system, or ask someone familiar with the Advantage system to complete the document. Follow the directions in FAQ #3 below to complete the document.
- Ask contractor to provide a criminal background check and child abuse check for each of its employees working with children or an affidavit. All three documents are on the web at www.phila.k12.pa.us/offices/legal/contracts.html.



Limited Contracts - Completing the Forms

After you have completed the preliminary steps, you must fill out a Limited Contract Form and a Limited Contract Information Sheet. These documents can be found in Appendix A of this handbook and are also on the Office of General Counsel’s page on the District’s web site. In completing the forms, follow these steps:

- Complete the Limited Contract Form (OGC-1).
 - Describe in detail what the contractor is going to do (*see* FAQ #4 below).
- Fax the Limited Contract Form and the Limited Contract Standard Terms and Conditions (OGC-1) to the contractor and ask the contractor to sign the contract and fax it back to you.
- Make sure a school principal or an individual in a program office responsible for supervising the contractor signs the form next to the contractor's signature.
- Complete the Limited Contract Information Sheet (OGC-2).
 - If the contract is under \$5,000, do not answer Questions 7, 8 or 9 on OGC-2.
 - If the contractor has worked for you in the past, you may submit a contractor evaluation form (OGC-3) instead of answering Questions 7, 8 or 9 on OGC-2.
- Insert the SC number (a number that the Advantage system assigns automatically to the SC document you prepare) at the top of each limited contract.
- Obtain the signature of the contract reviewer on OGC-1. The contract reviewer is your regional superintendent (if you are in a school) or, as a general rule, the official in the District's "cabinet" who supervises you (if you are in an administrative office).

Limited Contracts - Submitting the Form and Paying the Contractor

Once the preliminary steps have been taken and the forms complete, you must complete the following steps in order for the contract to be approved:

- Send the following documents to Mary Pekala (Room 202, Admin Building; Fax: 215-979-8559):
 - Limited Contract Form (OGC-1) with **three** signatures (contractor, preparer, administrator)
 - SC Document
 - Criminal background check and child abuse check or affidavit
 - Any relevant attachments or exhibits (*e.g.*, description of contractor's work)
- The Review Committee will review contracts based on a set of guidelines which are set out in the Review Committee Rubric which can be found on the web at www.phila.k12.pa.us/offices/legal/contracts/LC%20Rubric.doc
- The Review Committee will fax back the first page of the approved or disapproved limited contract form to the fax number of the contract preparer listed on the OGC-1 form. You will need this to pay the contractor (FAQ #5 below);
- To pay the contractor, complete a PVV or PV1 document on the District's Advantage system and follow the directions in FAQ #5 below.

Limited Contracts – Frequently Asked Questions

Question 1: *How do I satisfy the requirements of the Small Business Development Office?*

Answer: The District has a policy of giving minority- and women-owned business enterprises (M/W/BEs) a full and fair opportunity to participate in all District contracts. To satisfy the requirements of the Small Business Development Office, you should:

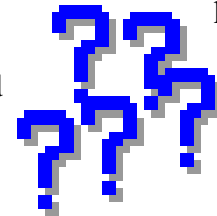
- Call a business listed in the Small Business Development Office’s database or call the office to obtain the name of a business that can do the work;
- Use a minority or women-owned business to perform the services; or
- Explain as part of the OGC-2 form why you didn’t do either (1) or (2). If no contractor with sufficient expertise is listed in the data base, you are not required to call an M/W/BE.

Question 2: *How do I get a new School District vendor number for a particular contractor?*

Answer: You will need to insert the vendor number on the first page of the Limited Contract Form (OGC-1). To get a new vendor number for a contractor, send a faxed memo to “Vendor Desk” (fax number: 215-299-8825) with the following information:

- Contractor’s Name and Address
- Contractor’s Telephone Number
- Contractor’s Tax Identification Number (or social security number for individuals)

Once you fax the memo to the Vendor Desk, Accounting will establish a vendor number for the contractor. Accounting does not tell program offices when it has established a new vendor number; you can check for the vendor number by entering the ‘VADR’ screen on the Advantage system and typing the contractor’s name or by calling Accounting. Accounting will also send vendors a W-9 form. Please make sure the contractor completes and signs the W-9 form and returns it to Accounting. If Accounting does not receive a W-9 form, the School District will not pay the vendor.



Question 3: *How do I complete the SCS or SC1 financial form?*

Answer: The Service Contract and Service Contract 1 financial documents (SCS and SC1) are forms in the District’s Advantage financial system that allow money in a particular budget to be encumbered, or set aside, for a specific use. If you are completing an SCS or SC1 for a limited contract, please keep the following requirements in mind:

- Money to be encumbered must be in the ‘Contracted Services’ area of your budget;
- The encumbrance must be vendor-specific (not ‘various vendors’);

Question 4: *How should I describe the services I want the contractor to perform?*

Answer: The description of services should begin with a one-sentence description of the contractor's services that answers the following questions: Who? What? When? Where? and To whom?

In most cases, the statement of work should also include details about the contractor's program, such as the specific materials provided, the curriculum used and data that contractor plans to supply to District so that District can evaluate contractor's effectiveness (see sample scope of services for more information). Keep in mind that the scope of services is the only place where the contractor's responsibilities to the District are set forth so this section should state all the activities you want the contractor to perform. You may attach a description, including a description prepared for another purpose, such as a grant proposal.

Question 5: *How do I get the contractor paid once the limited contract is approved?*

Answer: Prepare a PVV or PV1 financial document (Payment Voucher) on the District's Advantage system. Send the PVV or PV1, the contractor's invoice, and a copy of the Limited Contract Form approved by the Review Committee, as indicated by a signature in the approval box at the bottom of the form, to the following room number: Accounting – Room 811, Admin Bldg.

Limited Contracts and Standard Contracts – Amendments

Once the term of a contract is over, you may want to amend or extend the contract. The process you need to follow depends on the dollar value of the proposed amended or extended contract.

What Process Must I follow if the Contract Amendment or Extension is for Less than \$25,000? If you are increasing the amount of the contract by \$25,000 or less, you may follow the limited contract process, even if the original contract was authorized by a resolution, as long as (1) the contractor is doing extra work in exchange for the additional funds and (2) the office requesting the limited contract is requesting the limited contract because of changed circumstances.

EXAMPLE: If a contractor is serving more students in an after-school program than the office originally thought would take part in the program and the cost of the additional services is under \$25,000, you do not need a resolution. However, if a contractor increases its prices or says they need additional funds to complete a specific project, then you must prepare a resolution in order to authorize the additional work. Once the resolution is passed, you may then prepare a contract amendment in order to enter into the contract amendment with the contractor.

What Process Must I follow if the Contract Amendment or Extension is for More than \$25,000? If the contract amendment or extension is for more than \$25,000 you must submit a resolution to the School Reform Commission for approval and submit a Standard Amendment Agreement to the Office of General Counsel as described in the standard contract process on page 9 of the Contract Handbook.

EXAMPLE: If you have hired a consultant for six months for \$15,000 per month and would like to hire the consultant for an additional three months at the same rate for an additional cost of \$45,000, you must submit a resolution to the School Reform Commission and after the resolution is approved, submit a Standard Amendment Agreement to the Office of General Counsel.

STANDARD CONTRACTS

Standard contracts are those which are for over \$25,000. Before a vendor starts work on a standard contract, the School Reform Commission must approve a resolution authorizing the District to enter into a contract with the vendor. You must fill out certain sections of the District's standard contract and send it along with the resolution to the Office of General Counsel for approval.

The explanation on the next several pages describes in more detail what you need to do to complete a standard contract.

Standard Contracts – Description of Services

The first step in preparing a standard contract is preparing the description of services. The person responsible for monitoring the services to be provided, not a secretary, should prepare this document. To help you prepare a description of services OGC has included two model descriptions of services (which can be found in Appendix C and also on the on the web at www.phila.k12.pa.us/offices/legal/contracts.html).

You may obtain a contractor's proposal before you prepare a description of services or you may allow the contractor to prepare a first draft of the description of services. It is important, however, that you review the proposed description of services to make sure it completely describes what you want the contractor to do. If you are not satisfied with the contractor's proposed description of services, you should negotiate revisions as necessary. A good description of services answers the following questions:

WHAT?	<p>In describing what a Contractor is going to do, focus on the 'Two Ds' – Details and Deliverables.</p> <p>Details. Try to be as detailed as possible – everything that you want the contractor to do should be in the contract. Depending on the specific contract, the detailed description could include the following:</p> <ul style="list-style-type: none">▪ Number of sessions provided by the contractor and dates of sessions;▪ Number of students/staff served by the contractor;▪ Specific qualifications (<i>e.g.</i>, certifications) of contractor's employees;▪ Specific materials the contractor is to provide. <p>Example: In a contract for an outside evaluator for a grant, the District required the contractor to prepare all reports necessary to comply with any reporting requirements imposed by the grantor. The contractor was responsible for making any changes to the report in response to comments received from the grantor.</p>
--------------	--

	<p>Deliverables. If possible, the contract should include results: specific items, objectives or “deliverables” you would like the contractor to produce. Examples of deliverables include the following:</p> <ul style="list-style-type: none"> ▪ An East Asian history curriculum in alignment with District’s core curriculum; ▪ An end-of-contract report identifying areas for improvement ▪ Requiring a contractor who runs special education classrooms to provide data on student achievement, attendance and serious incident reports to help the District evaluate the contractor’s effectiveness. ▪ Specific student outcomes (i.e. an increase in student attendance). One contract tied 10% of the compensation of an individual specifically brought in to work with a cohort of failing students to the rise in the students’ math achievement test scores (NOTE: this kind of requirement may not be appropriate in all contracts).
WHO?	<p>If you want specific individuals from the contractor to work on the contract, include their names.</p> <p>Example: In a contract that required a non-profit organization to provide 30 hours of classroom coaching, the contract required a specific employee of the contractor’s, Jane Doe, to conduct all 30 hours of the classroom coaching unless the principal approved another coach in writing.</p>
WHERE?	<p>If it is relevant to the contract, include the location(s) where you want the contractor to provide the services (contractor’s office, specific school, etc.)</p>
WHEN?	<p>Include when the contractor will provide the services. If the contract is for workshops or training sessions, include dates and times. If you would like contractor to meet deadlines, include the deadlines in the contract.</p>

Standard Contracts – What Do I Do Next?

After completing the Description of Services, you must do the following in order to prepare your contract:

- **Step 1 – Obtain a cost breakdown/budget.** Obtain a breakdown of the contractor’s costs. You can ask the contractor to prepare the cost breakdown or budget and refer them to the model budget on the District’s web site: www.phila.k12.pa.us/offices/legal/contracts/Model%20budget.doc. You should review the contractor’s cost breakdown and suggest revisions, if you think it is necessary. OGC strongly encourages offices to prepare a budget if the amount of compensation is above \$100,000.
- **Step 2 – Agreement for Services.** Prepare the Agreement for Services. The Agreement for Services contains basic information about the contract. A form

Agreement for Services and directions are on the web at www.phila.k12.pa.us/offices/legal/contracts.html.

- OGC has also prepared a Contractor Information Form that contains information specific to the contractor that you will need to complete the Agreement for Services. The Contractor Information Form is also attached in Appendix D and can be found on the web.



- **Step 3 – Talk to the Contractor.** Before you send your Agreement for Services to OGC, you should inform the contractor that they must comply with the District’s Standard Terms and Conditions, which they can find on OGC’s web site. Specifically, please inform the contractor as soon as possible that they must comply with the District’s insurance requirements in the Standard Terms and Conditions as well as its requirements relating to background checks.

Amendments: You should prepare an amendment instead of a standard contract if you already have a standard contract with the contractor and (1) you are paying the contractor more money; or (2) you are extending the term of the contract; or (3) you are changing the work that the contractor must complete. The steps for completing an amendment are the same as the steps for completing a standard contract except that you complete a Standard Amendment Agreement instead of an Agreement for Services. The Standard Amendment Agreement is on OGC’s web site at www.phila.k12.pa.us/offices/legal/contracts/Standard%20Amendment%20form.doc.

Standard Contracts – Final Steps

After you have prepared a Description of Services, obtained a budget/cost breakdown from the contractor and prepared the Agreement for Services, you should send one (1) copy of these documents, along with one (1) copy of the resolution authorizing the contract to OGC (2130 Arch Street, 5th Floor, Philadelphia, PA 19103).

OGC will review and approve the contract, negotiate any changes with the contractor, coordinate the process of getting the contract signed and send the completed and signed contract to you and to the contractor. Once OGC has approved the contract and the Office of Risk Management has approved the contractor’s insurance certificates, the District can pay the contractor. To pay the contractor, you will need to send to Accounting the contractor’s invoice, a copy of the first page of the contract and a document called a PVV or PVI from the Advantage system. Call your budget analyst in Accounting (215-299-7614) with questions

about paying the contractor and call Risk Management (215-299-1760) with questions about the insurance requirements.

Contractors Who Don't Perform

The District is committed to making sure that contractors fulfill all contractual requirements. If for any reason you are dissatisfied with the performance of a contractor, please call the Office of General Counsel at 215-299-7676 and ask to speak to Reggie Johnson.

Where Can I Get More Information?

The Office of General Counsel's contracts web site is designed to provide you with information and documents you need in order to get a contract approved. The web site will be updated periodically so it always includes the latest versions of all of the District's contract documents. If you cannot find the answers you need on the web site, please call OGC at 215-299-7676 .

The address of OGC's contracts web site is:

www.phila.k12.pa.us/offices/legal/contracts.html

List of Documents on the Web Site

The following is a partial list of documents on OGC's web site:

Limited Contracts

1. Limited Contract Forms (Printable Version)
2. Limited Contract Forms (Version with Fillable Fields)
3. Limited Contract Standard Terms and Conditions
4. Sample Limited Contract

Standard Contracts

5. Agreement for Services
6. Directions to Agreement for Services
7. Standard Terms and Conditions
8. Standard Amendment Agreement
9. Directions to Standard Amendment Agreement
10. Model Budget
11. Descriptions of Services - Models

Miscellaneous Documents

12. Contractor Information Form
13. Criminal Background Check
14. Child Abuse Clearance Check
15. Affidavit (in lieu of criminal and child abuse checks)
16. FBI Clearance Check (for out-of-state contractors)
17. Sample Resolutions
18. Contract Policies and Procedures

