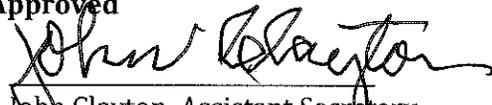


**POLICY 1.61 (43) MANAGING VENDOR AND CONTRACTOR  
COMPLIANCE**

**Policy Committee Chair**

Don Mead, Ed. D.  
Superintendent, Echo Glen  
Juvenile Justice and Rehabilitation Administration

**Approved**



John Clayton, Assistant Secretary  
Juvenile Justice and Rehabilitation Administration  
2/11/2015

**Authorizing Sources**

DSHS Administrative Policy 13.11  
28 CFR Part 115 PREA, Juvenile Facility  
Standards, effective August 20, 2012  
DSHS Administrative Policy 10.02  
DSHS Administrative Policy 10.06

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2/27/2015

**Sunset Review Date**

2/27/2019

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**I. PURPOSE AND SCOPE**

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This policy establishes guidelines for Juvenile Rehabilitation (JR) in the formal action process for vendor/contractor overpayments, debts, and disputes.

All staff, contractors, volunteers, and interns working in the Division of Juvenile Institution Programs, Division of Community Programs and Parole, and the Division of Operations and Support Services are responsible for reviewing and complying with JR policies.

This policy does not apply to Interlocal Agreements, County Program Agreements, or Indian Nation Program Agreements with the Department of Social and Health Services (DSHS)/ JR which describe dispute processes to be followed with those entities.

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**II. POLICY**

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1. **Designated Contract Managers must notify the JR Grants and Contracts Manager when a corrective action involving a vendor/contractor has not resolved a contract performance, compliance, payment, or other problem and when formal action against a vendor/contractor is under consideration.**
2. **Any contractor or volunteer who engages in sexual abuse must be prohibited from contact with youth and shall be reported to law enforcement agencies and to relevant licensing bodies. (PREA Standard 115.377)**
  - 2.1. Reporting will be conducted in accordance with Policy 5.91 (34), *Reporting Abuse and Neglect of JR Youth*, and Policy 5.90 (49), *Applying PREA Juvenile Standards in JR*. (PREA Standard 115.377)
  - 2.2. The facility must take appropriate remedial measures. (PREA Standard 115.377)

Policy 1.61 (43), **Managing Vendor and Contractor Compliance 2/27/2015**

- 2.3. The Superintendent, Regional Administrator or designee will complete the report to law enforcement and to relevant licensing bodies. The report will be documented and maintained at the facility.
- 3. The Office of Financial Recovery (OFR) must be notified of any overpayment. JR will work through and with OFR in the debt recovery process, per DSHS Administrative Policy 10.02.**
- 4. Steps when considering formal actions must include:**
  - 4.1. Documenting what formal actions(s) are recommended and applicable to the vendor/contractor in question.
  - 4.2. Retaining and providing supporting information, including tracking, follow-up and documentation of all identified problems and corrective actions and;
  - 4.3. Reviewing pertinent DSHS Administrative Policies.
- 5. Formal Actions may involve:**
  - 5.1. Suspend Placement or referral of clients.
  - 5.2. Withhold payment or collect overpayment through (OFR) (Per DSHS Administrative Policy 10.02).
  - 5.3. Terminate the contract for convenience, after consultation with Central Contract Services(CCS) and the administration's Assistant Attorney General.
  - 5.4. Terminate the contract for Default. (All terminations for default are conducted by CCS).
  - 5.5. Request CCS to make a referral to Division of Fraud Investigation, per DSHS Administrative Policy 10.06.
- 6. Formal action against a vendor/contractor must be coordinated through the JR Grants and Contracts Manager, who will consult with CCS and the Administration's Assistant Attorney General, when appropriate.**
  - 6.1. A formal action requires advance consultation with the appropriate JR Division Director. This is especially the case when considering contract termination or a report of possible fraud, since there is a risk of legal action or possible harm to the reputation of JR or to the department.
  - 6.2. Termination for default of any contract must be authorized through CCS and involve OFR when appropriate.

Policy 1.61 (43), **Managing Vendor and Contractor Compliance 2/27/2015**

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### III. DEFINITIONS

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**Contractor:** An individual, business or other entity that contracts with DSHS to supply materials or services for a stipulated sum.

**Corrective Action:** An informal administrative process used by JR to assist or guide contractors in meeting requirements when a problem with contract compliance is identified.

**Designated Contract Managers (DCM):** JR staff members assigned to manage and monitor contracts fiscally or programmatically.

**Grants and Contracts Manager:** A JR Central Office staff member assigned DSHS signature authority for JR contracts. This position coordinates standard contract monitoring activities. The Grants and Contracts Manager may perform periodic review of JR contracts and monitoring activities.

**Overpayment:** Any department payment or benefit to a vendor or provider in excess of the amount the vendor or provider was entitled to by law, rule or contract.

**Vendor:** Individual, business, or other entity that obtains, delivers, or otherwise manages a service or product provided to JR.

**Vendor/Contractor Dispute:** A contractor's dissatisfaction with a decision or action by JR that impacts a contractor's benefit or payment. This could include a provision of a contractor's service or contractual obligation.

**Formal Action:** A sanction which may result from a contractor's failure to comply with a corrective action. Formal action may include, but is not limited to, termination of a contract, financial penalties, or stop referrals.

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### IV. RELATED JR POLICIES

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Policy 1.60 (41) - Monitoring Contracts

Policy 5.91 (34) - Reporting Child Abuse &  
Neglect of JR Youth

Policy 5.90 (49) - Applying PREA Juvenile  
Standards in JR

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