



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

REPRODUCTION

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Karen Foley-Schain, *Children's Trust Fund*
J. Robert Galvin, M.D., M.P.H., *Department of Public Health*
Theresa C. Lantz, *Department of Correction*
Susan I. Hamilton, *Department of Children and Families*
Thomas A. Kirk, Jr., PhD, *Department of Mental Health and Addiction Services*
Peter H. O'Meara, *Department of Developmental Disabilities*
Michael P. Starkowski, *Department of Social Services*

Dear Commissioner:

I am pleased to inform you of the release of a new OPM policy manual, entitled "*Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts.*" This manual, available on the OPM's website [at http://www.ct.gov/opm/fin/procurement_standards], supplants our earlier 2005 manual, entitled "*Personal Service Agreements: Standards and Procedures.*" The new manual addresses the requirements that State agencies must follow when entering into a Personal Service Agreement (PSA) or Purchase of Service (POS) contract.

Of particular note is the requirement that a state agency wishing to purchase health and human services from a private provider must abide by new standards for competitive procurement. The POS-specific portions of the manual are the latest in our continuing effort to establish uniform policies and procedures for the purchase of human services from private providers.

In light of the current fiscal environment and the resulting constraints on both state agencies and our private providers, I expect to waive the competitive procurement requirement for existing contracts (described below), provided I find that the contract price is consistent with the state's interest in maximizing the use of its resources. This procedure will be in effect from February 16, 2009 until June 30, 2011.

If an agency wishes to exercise its option for a waiver during the next two years, an agency will still be required to submit a waiver request through the online POS Request Website. This requirement is consistent with current policy.

During this period, an agency is not required to competitively procure an existing health or human service when maintaining the status quo. Any contract that maintains the status quo may be renewed without a competitive procurement. In this context, *status quo* means that the cost, term, or scope of the service remains

unchanged. If the amount of funding for a service is significantly increased or decreased, if the term is extended, or if an agency wishes to make any major change to the scope of a service, an agency will need to conduct a competitive procurement for the service.

PLEASE NOTE: This policy in no way prohibits an agency from conducting a competitive procurement. An agency may decide to conduct a competitive procurement for an existing service, if an agency determines that it is necessary, appropriate, or otherwise in the best interests of the State.

At the conclusion of this deferral period, all POS contracts will be subject to the competitive procurement requirements specified in the manual. All POS services must be competitively procured not later than June 30, 2012, unless an agency has obtained a program waiver from OPM via an approved procurement plan. Please refer to the policy manual for more information about program waivers and procurement plans.

Thank you for your assistance in developing these procurement standards and for your continued support for our efforts to assure an open and transparent process for the purchase of human services from private providers. Any questions regarding the procurement standards, moratorium or interpretation of this policy should be directed to Gale Mattison, Executive Financial Officer.

Sincerely,



Robert L. Genuario
Secretary