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MEMORANDUM

TO: Members, Utah State Board of Education

FROM: Brad C. Smith
Chief Executive Officer

DATE: June 19, 2015

ACTION: Independent Living Center Roads to Independence (RTI) Contract Approval

Background: The Utah State Office of Rehabilitation (USOR) acts as a pass-through agency providing funding to six independent living centers in Utah. Contracts for service provision by these centers are renewed yearly. USOR elected to submit a request for approval for five contracts in the Board's May 2015 meeting, but held the contract for RTI to be submitted for approval in the June Board meeting. USOR is now requesting approval for a short-term contract with RTI with the inclusion of some conditional language.

Key Points: A few months ago USOR received a report of allegations made against some employees of RTI. USOR has been working with RTI to complete an investigation of these allegations. Although USOR has received some information needed to complete an investigation, USOR has requested that by June 30, 2015 additional information be provided by RTI before a new contract is approved.

USOR believes that a new contract should not go into effect until the additional information requested is received and USOR has reviewed the information and determines whether it meets all the requirements given to RTI. For this reason, USOR requests that conditional language be included in any recommendation for approval requiring that the new contract will not take effect until all information requested by USOR on March 3, 2015 from RTI regarding RTI policies, practices, and finances is received and reviewed by the USOR Executive Director, the USOR Independent Living Specialist, and a designee from USOR's Internal Audit Department and approved by such individuals as sufficient to resolve allegations made against RTI.

Anticipated Action: The Board will consider approving a one-year contract with a three-month end state for Roads to Independence (RTI) to provide independent living services. The approval will contain conditional language requiring submission and approval of additional information to USOR. If RTI does not meet the requirements by the end of the first three months of the contract, the contract will end. This method and process meets all purchasing and contract requirements of the State of Utah.

Contact: Stacey Cummings, scumming@utah.gov or 801-538-7781.

June 03

Contract INFORMATION

State No.	136379
Agency No.	5224

Contractor and Address Roads to Independence 3355 Washington Blvd South Ogden, UT 84401-4105	Vendor Number	65271 B
	Commodity Code	96102000000

Agency Monitor	R. Thomas England	Amount \$	591,911.00	From	07/01/2015	To	06/30/2016
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Schedule of Payments: Payments will be made by monthly reimbursement	
Original amount	\$555,003.00
Amendment #1	\$588,271.00
Amendment #2	\$591,911.00
Total contract amount	\$1,735,185.00

Purpose of Contract:
To provide Independent Living, Assistive Technology services, and Nursing Home Transition services to individuals with disabilities residing in the Morgan, Davis and Weber Counties.

Correlation with Board Goals:

Greater Than \$5,000	This contract was entered into as a result of the state-level bidding process (RX was processed).	Yes	No x
	The proposals were reviewed by an in-agency committee, and the least-Costly and best-performance proposal was selected.	x	
Less than \$5,000	This contract was entered into as a result of the state-level bidding process (RX was processed).		
	The proposals were reviewed by an in-agency committee, and the least-Costly and best-performance proposal was selected.		
General Information	The contract was awarded using appropriate policy and procedures.	x	
	The employment goals of the affirmative action program were followed.	x	
	A conflict of interest involving USOR/USOR staff exists.		x
	The contract uses federal funds.	x	

Agency approval certifies that all parties herein receiving fees, stipends, or other payment in excess of approved travel and per diem reimbursement will receive no remuneration from another state agency, state institution, school district, or other political subdivision (unless so stated in the parties' annual employment contract) for the time and service that they claim payment from the USOE in relation to this request.

Fund	Agency	Organ	Approp	Object	Activity	Rep Cat	Project
SEE ATTACHED							

Division Superintendent or Designee _____ Date _____

Accounting _____ Date _____

Superintendent/Executive Director or Designee _____ Date _____

Upon final approval by State Finance:
Original: attach to documents
Duplicate: division accountant
Triplicate: division/unit
Quadruplicate: Board agenda

Document to be included with Roads to Independence Independent Living Contract 136379 Amendment #2

CONTRACT STIPULATIONS

The following stipulations must be met by Roads to Independence Independent Living Center by September 30, 2015. If these stipulations are not met by September 30, 2015, the contract between RTI and USOE will be considered terminated. Consider this Contract Stipulation as 30 day notice to rectify the identified problems. ~~the Utah State Board of Education will terminate this contract.~~

- 1) The audit required in the March 3, 2015 letter from USOR must be completed by June 30, 2015 and corrective action on any findings must be completed. .
- 2) RTI policies, procedures and bylaws must be approved by the RTI Governing Board and USOR. Each policy must contain internal controls that are designed to ensure efficiency and effectiveness and compliance with applicable laws and regulations. RTI must also show that these controls have been implemented and are operating efficiently by September 30, 2015.
- 3) Reimbursement requests must be submitted monthly by the 15th of the subsequent month. Request number 1 for state fiscal year 2016 must be received by USOR by August 15, 2015. Request number 2 for state fiscal year 2016 must be received by USOR by September 15, 2015.
- 4) RTI must document receipt of loan bank items that includes a valuation of any item. At a minimum, items worth \$1000 or more must be included in the equipment management system to ensure appropriate inclusion in the general ledger. To be completed by September 30, 2015.