



COA Contracting Standards Tip Sheet

The purpose of the Tip Sheet is to clarify the applicability of COA’s contracting standards, as well as provide additional information about standards related to contracting. The issues that will be covered are 1) contracting practices, 2) contract monitoring, and 3) ethical practices.

Contracting Practices

Note: The contacting standards discussed in this Tip Sheet are not applicable to contracts with individual consultants and independent contractors. These are addressed in Human Resources (PA-HR).

Standard	Topic	Applies To	Additional Information
PA-RPM 9.01, 9.02, and 9.03	Standardized Contracting Practices	<p>All contracts entered into by the agency, with the exception of contracts for individual consultants and independent contractors.</p> <p>These include contracts for:</p> <ul style="list-style-type: none"> ▪ the purchase of social and human services by the agency; and ▪ support services such as maintenance or transportation services. 	<p>Contracts typically involve an exchange of money between the purchaser and vendor of services.</p> <p>In contrast, service agreements (MOUs) typically involve the sharing of information and/or services rather than an exchange of money between the agency and the service provider.</p>
PA-FIN 3.07	Cost analysis of contracted services	All contracts.	The agency analyzes the costs of contracted services at established intervals and the information is used to analyze operational effectiveness and efficiency and to monitor trends, current experiences, and changes in costs.
PA-FIN 4.03(d)	Competitive Bidding	<p>All contracts for the purchase of services with the exception of contracts for individual consultants and independent contractors.</p> <p>These include contracts for:</p> <ul style="list-style-type: none"> ▪ the purchase of social and human services by the organization; and ▪ support services such as maintenance or transportation services. 	<p>Competitive bidding may not be applicable in all circumstances, such as in a rural area where the number of providers is limited.</p> <p>The use of competitive bidding may be subject to legal or regulatory requirements.</p>
PA-RPM 9.04	Service Agreements / Memoranda of Understanding (MOUs)		<p>An example is a shelter that enters into an agreement with an outside organization that is funded to provide housing counseling to residents in emergency shelters. The shelter does not pay for these services out of its budget, therefore it may not enter into a formal contract with the outside provider.</p> <p>See also PA-RPM 2.01(m).</p>



Contract Monitoring

Contract monitoring includes contract oversight as well as risk management reviews of the agency's contracting practices.

Standard	Topic	Applies To	Additional Information
PA-RPM 10 including 10.01, 10.02, 10.03, and 10.04	Quality Monitoring of Purchased Services	These standards apply to contracts for the purchase of social and human services.	
PA-RPM 2.01(d)	Annual review of Risk	All contracts..	
PA-AM 7.06(c)	Administrative Responsibilities	All contracts. The agency head evaluates risk to the agency related to its contracting practices.	See PA-RPM 2.01(d) .

Ethical Practices

COA's standards relevant to ethical practices in contracting are primarily found in PA-ETH 2.

Standard	Topic
PA-ETH 2	"The agency prevents the enrichment of insiders and other abuses through the adoption and enforcement of a conflict of interest policy consistent with state laws and regulations."
PA-ETH 2.01 and 2.02	Agencies are expected to establish a conflict of interest policy and procedures that ensure that "contracts and business arrangements serve the agency's and service recipient's best interests, not private interests."
PA-ETH 2.03	The agency's conflict of interest policy and procedures also direct anyone with a financial interest in its "assets, business transactions, leases, or professional services" to disclose such information, and to recuse themselves from "any discussion or vote taken with respect to such interests."

The Council on Accreditation partners with human service organizations worldwide to improve service delivery outcomes by developing, applying, and promoting accreditation standards.

To learn more about COA, please call 866-COA-8088 or visit www.coanet.org or www.coastandards.org.