

City and County of San Francisco

OFFICE OF THE CONTROLLER CITY SERVICES AUDITOR

Department of Aging & Adult Services:

The Department Needs to Improve Its Needs Assessment
and Contracting Processes to Better Serve Seniors &
Adults with Disabilities





CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

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Dear Mr. Rhorer and Mr. Lam:

The Controller's Office, City Services Auditor presents its audit report concerning the granting functions of the Human Services Agency's Department of Aging and Adult Services (DAAS). The audit objectives were to determine whether DAAS is effectively managing the process of providing services to seniors and adults with disabilities through granting Federal, State and local funds to community and non-profit organizations. The major audit findings include:

- The methods by which DAAS researches and determines the needs of seniors and adults with disabilities in San Francisco meet State requirements, but the analysis does not identify specific needs and target populations, existing resources and gaps in service, establish priorities, set goals and objectives or allow the Department to allocate resources effectively (Finding 1-A). We note that the Human Services Agency is currently updating this research and analysis effort.
- Significant disparities exist between what the needs assessment does show—that housing, transportation and in-home services are the services most needed by seniors, and what the Office on Aging (OOA) funds—meals, community and referral services. We note that the Agency does fund housing, transportation and in-home services through other programs (Finding 1-B).
- The Department must match Federal and State funds for specific types of senior services with approximately \$1.8 million of local dollars. An estimated \$10 million in discretionary local funds could be re-allocated to other services for seniors and adults with disabilities and still meet matching requirements (Finding 1-C).
- The management system with which the Department monitors contractor performance has multiple weaknesses. Some providers administer their own assessments, the tools for monitoring are inconsistent and overly general, the system emphasizes compliance and has little measurement of service quality, and staff are not properly trained or rotated (Findings 2-A, B and D).

- The database system used by DAAS to monitor the units of service provided by its contractors, SF GetCare, is often inaccurate and unreliable, making it difficult to determine if contract obligations are being met, and to evaluate contractor performance. We note that the Department is currently moving this function to a combination of a new contractor and in-house staff but recommend that the Department also review its arrangements with the existing contractor with whom it has spent approximately \$2.6 million from July 2000 to the present (Finding 2-C).
- Contract awards made by the Department and by the Commission on Aging violated the rules and guidelines set up in the Request for Proposals (RFP) process and did not use consistent or objective criteria. Sixteen contractors that scored below the minimum point requirement were awarded funds, and a variety of other awards were made that were not reflective of the RFP scores and rankings. One contractor selected in this manner was later de-funded due to non-performance of their contract (Findings 3-A, B and C).
- The OOA spends a significant amount of its budget, more than \$1.6 million, on information and referral services—funding ten Neighborhood Resource Centers managed through three non-profit agencies, contracting with other agencies for information and referral elements as part of their services, and running a unit in the Department itself with this responsibility. There are no common definitions of units of service and measurement approaches vary among these providers, with the result that clients are counted differently and the Department does not know the outcomes for seniors or the effectiveness of the information and referral services (Finding 4-A).

The overall audit conclusions are that improvements are needed in the way the Department of Aging and Adult Services researches the needs of seniors and adults with disabilities, prioritizes and allocates its funding, conducts its grant award processes and monitors the performance of its community-based contractors. Improvements in these areas will mean that services reach those in most need, grant funds are awarded objectively to agencies that are able to deliver high quality services, and the Department effectively manages the quantity and quality of the services provided to seniors and adults with disabilities.

The Department's response to the audit concurred with many of the findings and recommendations and is attached as Appendix X of this report.

We acknowledge the assistance and cooperation provided to the audit staff by the Department and by the service providers. The Controller's Office will work with the Department to follow up on the recommendations made in this report.

Respectfully submitted,



Ed Harrington
Controller

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EXECUTIVE SUMMARY

FINDINGS AND RECOMMENDATIONS

FINDING 1-A. NEEDS ASSESSMENT

The Department conducts state-mandated needs assessment activities. However the analysis does not identify specific needs and target populations, identify existing resources and gaps in service, establish priorities, or allow the Department to allocate resources effectively.

The Department of Aging and Adults Services (DAAS) needs assessment identifies broad categories of need for seniors and adults with disabilities in San Francisco but the analysis does not identify specific populations in need, their locations, the extent or type of need, or the methods to meet them. The State-mandated Area Plan on Aging lists local resources for seniors, but does not include analysis of the gaps between needs and resources. The needs assessment does not effectively prioritize needs or target populations. The overall effect of these weaknesses is that the needs assessment is not sufficient to set goals and objectives or effectively direct funding.

The audit recommends that the Department use the needs assessment information to identify specific needs and target populations, identify current resources and gaps in service, establish clear service priorities, set goals and objectives, and allocate the Office on Aging (OOA) limited funds accordingly. The information should also be used for broader strategic purposes such as leveraging funds available from other sources and identifying needed legislative changes. The Department may need assistance from an outside consultant for these purposes and should review other county area plans and model its work on some of the best practice methodologies described in this report.

FINDING 1-B. FUNDING ALLOCATION

The OOA's funding distribution to specific services does not reflect the needs most often identified by the Department's own needs assessment activities.

The auditors examined the results of the Area Plan's needs assessment studies and took a tally of the number of times specific needs were identified. The results indicate that housing, transportation, and in-home support services are the most identified needs for seniors in San Francisco, but these receive only 1%, 4%, and 2%, of the OOA funding, respectively. The OOA spends 46% of its funds on meal programs despite the fact that meal services were not identified as the top priority in the needs assessment process. State and Federal funds specified for meals dictate around \$4.1 million of this spending, however, the OOA also allocates \$3.9 million of its own discretionary local funds to meals programs. The OOA also spends more money on Information, Referral and Assistance services (estimated \$1.6 million) than on any direct service, except for meals and community services, despite the fact that these services are not identified as a priority in the needs assessment. While the City is spending hundreds of millions of dollars on

housing and in-home support through other programs, the OOA's analysis and allocation efforts do not demonstrate that these needs are in fact being addressed outside its own granting program. Allocation of the OOA funds to contracted services is based primarily on prior years' allocations rather than on the needs assessment or appropriate gap analysis. As a result of these disparities and the allocation approach, there is no assurance that the OOA is funding the most critical needs of seniors and adults with disabilities in San Francisco. The Area Plan and the Department's needs assessment activities do not justify the current allocation of the OOA resources among the 29 different services provided.

The audit recommends that the Department link the level of funding allocated to its contracted services to an improved needs assessment. Specifically, the Department's Area Plan should describe how the specific needs identified will be addressed by the services the OOA purchases. The allocation should clearly show how the OOA is using restricted State and Federal funds and local funds.

FINDING 1-C. LOCAL DISCRETIONARY FUNDS

The OOA overmatches its local funding for Federal and State mandated programs by an estimated \$10 million. These discretionary local dollars could be directed to other services for seniors and adults with disabilities or for any other public purpose.

The OOA is required to match State and Federal funds for programs with an estimated \$1.8 million of local monies. However, San Francisco exceeds these requirements by spending local resources above the matching amount. The OOA is allocating a large portion of its local discretionary monies to the same services that are funded through Federal and State dollars even though it is not obliged to do so. While these programs are varied and include important services such as congregate meals and home-delivered meals, they may not be the services most needed by San Franciscans. The OOA could re-direct

approximately \$10 million of local funds to meet other critical needs of seniors and adults with disabilities. For example, at a cost of approximately \$1 million, the OOA could roughly double the units provided for some of the services that address housing, transportation and support needs such as grants-in-aid for emergency housing assistance (\$40,000 to provide an additional 100 grants), group van rides (\$680,000 for an additional 40,000 trips) and personal care, homemaker, and chore services (\$280,000 for an additional 17,100 hours of service). Any funding allocation must of course take into account the impact on current services and clients and the limited resources available to the OOA.

The audit recommends, as noted above, that an improved needs assessment and allocation process identify critical needs of the City's senior and disabled community and target funds to those needs. The Department should clearly identify State and Federal funding amounts, local match requirements, and any discretionary local dollars committed to a particular program. The Department should consider directing local resources to services that match the needs most frequently identified in the Department's needs assessment activities. Even for areas of need such as housing where the funding

available to the Department may not be enough to provide the primary solution to the need, the Department could use local funds for planning or for leveraging funds to address the problems of senior and disabled communities with a coordinated approach.

FINDING 2-A. CONTRACT MONITORING PROCEDURES

Contract monitoring is inconsistent and weak. Some providers are doing their own assessments. Monitoring tools, documentation and follow-up are not consistent. Training and rotation of Program Analyst staff do not occur and management oversight is minimal.

Contracted services are inconsistently assessed and monitored by the Department. Some providers are allowed to administer their own contract monitoring assessments, while others have them administered by Program Analyst staff. Departmental manuals do not include basic contract monitoring policies and procedures, follow-up procedures, or documentation requirements. Some of the files reviewed by the audit lacked any evidence of follow-up to deficiencies and others showed that follow-up varied depending on the Program Analyst assigned. Program Analysts have different understandings and practices regarding which

monitoring tools are required and used in the Department. Minimal managerial oversight of Program Analysts, lack of job-specific training for contract monitoring, and lack of rotation of contract monitoring assignments among Program Analysts contribute to the inconsistency. The situation undermines the relationship between contractors and the Department and can result in the Department failing to identify under-performing and/or high-performing contractors.

The audit recommends that the Department develop a policies and procedures manual that provides information regarding all contract monitoring processes, the types of supporting documentation that should be retained, guidelines for the use of contract monitoring tools, a schedule of the expected frequency of monitoring procedures, identification of mandatory procedures, methodology for testing, requirements for staff rotation, review procedures for management staff and comprehensive follow-up procedures for deficiencies. Management should emphasize consistent monitoring and should employ random sampling to assess whether contracts are being properly and consistently monitored. The Department should rotate monitoring assignments among the Program Analysts and should implement a training program that includes specific contract monitoring training. The Department should fill the vacant Program Manager position to provide the Program Analysts with sufficient oversight, guidance and training.

FINDING 2-B. CONTRACT MONITORING INFORMATION

DAAS contract monitoring tools emphasize units of service and compliance data but are not designed to adequately capture contractor performance.

Contractors are not being adequately evaluated on the quality of services because existing monitoring tools focus on compliance with State and Federal requirements and on unit numbers of service. Monitoring tools are general in nature and do not capture sufficient program-specific data or service issues with the exception of nutrition programs that are monitored by Nutritionists under State regulations. While monitoring tools for nutrition programs include qualitative standards, as a whole, the Department's monitoring tools are deficient and the three main contract monitoring tools identified by staff are designed to capture quantitative and compliance oriented data and collect little information about the quality of the services being provided. The lack of qualitative and program-specific data makes it difficult to determine whether contractors are providing seniors or adults with disabilities with good quality service. In some cases, gaps in information are being filled with separate monitoring processes and tools. Staff effort is duplicative and some contractors are required to participate repeatedly in segmented monitoring activities.

The audit recommends that the Department implement new contract monitoring tools or modify existing tools in order to measure the quality of services rendered and provide specific information on the services provided. For example, monitoring tools should measure the quality of the health services, the effectiveness of the translation services, and the quality of the counseling services being provided by the 29 Community Services contractors and not just the number of hours of activity scheduling, number of hours of translation, and number of social services hours provided. The new or revised contract monitoring tools should also include measures of the specific services provided rather than just an overall rating of the contractor.

FINDING 2-C. SF GETCARE DATA SYSTEM

SF GetCare reports are unreliable and inaccurate, making it difficult for the Department to conduct accurate assessments of services provided by contractors.

The Department uses an electronic database system called SF GetCare to monitor the units of service provided by contractors. Reports from the system contain inaccurate information and are unreliable for purposes of measuring disparities between the contracted units of service and the actual units of service provided. Department staff re-creates the information in spreadsheets because the SF GetCare reports are not reliable, and providers have reported that they also maintain separate tracking documents. Incorrect data makes it difficult to determine whether contractors are complying with the terms of their contracts and can lead to the Department failing to identify contractors that are not providing the expected units of service. Contractors whose performance is evaluated based on SF GetCare reports cannot be sure their service delivery is reflected accurately. The City has spent approximately \$2.6 million on SF GetCare, including grant and general fund monies from FY 2000-01 to the present. The Human Services Agency is now replacing SF GetCare through a combination of the Department's own information technology staff and a new contractor.

The audit recommends that the Department develop a database and tracking tools that are accurate, reliable, and do not require duplication of efforts by the Program Analysts. The Department should establish a regular program of testing the accuracy of service data and reports. As of the writing of this report, the Department is working to replace SF GetCare with a combination of in-house staff and a new contractor. The City should also review its arrangements with the current contractor, RTZ Associates, and determine whether service expectations and obligations have been met.

FINDING 2-D. HUMAN SERVICES AGENCY MONITORING

The Department of Human Services' Office of Contract Management contract monitoring procedures will not abate the issues identified with DAAS program monitoring.

The Department of Human Services' Office of Contract Management (OCM) is assuming responsibility during FY 2004-05 for DAAS contract administration and monitoring. In general, OCM does conduct fiscal monitoring but does not retain evidence of monitoring in contract files and also lacks adequate policies and procedures for administration of its contracts. In order to abate the weaknesses identified

in the audit, OCM needs to address the broader need for improved contract monitoring at DAAS and should not rely solely on their own procedures.

The audit recommends that OCM develop a policies and procedures manual for contract monitoring that provides detailed information regarding how fiscal and program monitoring of DHS contracts should be conducted, including monitoring frequency, the types of testing that should be performed during a monitoring visit, and the types of supporting documentation that should be retained. To the extent that existing policies and procedures used by DAAS are applicable, they should be incorporated into the new manual. OCM should also develop a site visit summary form (or modify the existing site visit form) to provide information on fiscal and programmatic monitoring activities, results, and corrective actions taken and to serve as a basis for the report that accompanies contract renewal requests to the Human Services Commission.

FINDING 3-A. RFP PROCESS AND SELECTING CONTRACTORS

Consistent and objective criteria were not used to select all contractors and to set contractor funding amounts and resulted in DAAS awarding a contract to a poorly qualified service provider.

The Department did not adhere to the rules and guidelines it established to govern its own granting process. A Request for Proposals (RFP) was issued in 2003 for three-year contracts beginning in FY 2003-04 with the primary criteria that bidders scoring under 70 points would not be considered. However, 16 bids that scored under 70 points were funded and a variety of other decisions were not reflective of the scores and rankings. The Department funded contractors who

had had a prior contract even if that meant not funding bidders that scored and ranked higher as a result of the RFP process. The Department received \$1.16 million of funding above its original budget during the RFP process but distributed those funds without

regard to RFP scores and rankings. The Department gave incomplete and inconsistent justifications for funding decisions that deviated from the RFP score and rankings. For example, West Bay Pilipino was not funded for a Community Services contract despite the fact that they scored higher than five other bidders, four of whom scored under 70 points. Chinese Newcomer scored ten points higher than La Raza Centro Legal but was not funded for a Naturalization Services contract, with the Commission simply stating that La Raza was an important part of the Naturalization network. These decisions resulted in discontent among bidders and the appearance of unfairness in the RFP process. The Department may also have contracted for services from providers that are not the most qualified. In at least one case a contract was awarded to a provider, Filipino American Council, that failed to perform, did not respond to departmental efforts to gain compliance, and was later de-funded.

The audit recommends that the Department follow the rules it establishes for the RFP process. Competitive funding guidelines and rules for selecting contractors should be established and communicated to bidders in the RFP packet and should not be changed during the process. The Department must clearly state in the packet how it plans to use RFP scores and rankings. Any funding decisions that differ from the rules and guidelines should be documented and the reasoning behind them consistently applied. The Department may have reasons for deviating from its rules or guidelines, however the justification and logic for funding particular contractors and for granting particular amounts should be consistent.

FINDING 3-B. LOBBYING EFFORTS

Lobbying efforts influenced the Department and the Commission's funding decisions and the justifications used for selecting certain contractors were sometimes inconsistent and/or unsupported by analysis.

The approaches used by the Department and Commission, and the levels of review in the RFP process create opportunities for changes that may not be consistent with the intent of a fair and competitive allocation process. A situation was created that pitted contractors against each other and encouraged lobbying efforts to receive more funding. Both the Department and the Commission appeared to have been influenced by advocacy efforts and special considerations were given to certain bidders that were not analyzed for accuracy or applied equally to all bidders within the service categories. If the Department or the Commission make special considerations and do not follow their RFP rules and guidelines, these considerations should be thoroughly analyzed and applied equally. Although input from the public is a valuable component of any RFP process, this input should be considered in support of, and not in conflict with, the RFP scores.

The audit recommends that the Department streamline and define its RFP process so that the feedback received during the RFP process can be considered in light of the RFP results and not in lieu of the scores and rankings. Feedback received should be compared to each bidder's RFP evaluation, the Department's needs assessment, and the priorities of the Department. This comparison should be consistent from contractor to contractor

within the specific service categories. The Department should adhere to its funding recommendations unless substantial evidence is presented that demonstrates the need for making a change or an exception to the funding rules and guidelines. In doing so, the Department must ensure that the same considerations are given to every bidder within the service category.

FINDING 3-C. FUNDING ALLOCATIONS OUTSIDE THE RFP PROCESS

The manner in which the Department funnels changes in funding to contractors is subject to the same weaknesses as the RFP process.

The Department faces uncertainty regarding its revenue streams and typically receives different amounts of funding than it originally anticipates. The manner in which the Department funnels changes in funding to contractors is subject to the same weaknesses identified in the RFP process. The Department lacks a plan or policy that states how changes in funding should be allocated. The Department has made funding changes to specific programs and contractors without citing the needs of the customers impacted by those changes or stating what guidelines they were following for their decisions.

The audit recommends that the Department create a policy document or funding guidelines that reflect how changes will be funneled to contractors if revenue streams change. The plan must prioritize services and needs in a logical and competitive manner—providing more or fewer units for existing services, moving to a ranked list of services that could not be funded with the original budget, or other approaches supported by analysis. Changes to Federal and State revenues that result in changes to allocations for particular contractors must be clearly accounted for. The Department appears to have made some strides in this area, but it needs to continue to improve the transparency of changes to contract funding resulting from changes in revenues.

FINDING 4-A. INFORMATION, REFERRAL, AND ASSISTANCE SERVICES

The Department does not have adequate information about the results and outcomes of its information, referral and assistance services.

The Department funds Information, Referral, and Assistance (I, R & A) services three ways; through the ten Neighborhood Resource Centers (NRCs), the Department's internal I, R & A unit and as part of the services that some contractors must provide under other contracts, spending over \$1.6 million in this area. The Department lacks consistent definitions among the three different I, R & A providers for what should count as a unit of information, referral, follow-up, or assistance. Contractors who provide these services do not track them independently and referral procedures between I, R & A providers may lead to duplicate counts. The Department cannot adequately assess the degree of overlap or maximize the efficiency of the I, R & A services it provides.

The audit recommends that the Department clearly define I, R & A services and consistently utilize one set of definitions for all DAAS funded I, R & A service providers. The Department should modify data collection procedures in order to gather I, R & A service data for DAAS funded contractors in enough detail to provide for analysis and

comparisons among the I, R & A service providers. The Department's internal I, R & A unit and the NRCs should track and aggregate data regarding the type of information supplied to consumers, the outcome of follow-up activities, and the source of all incoming referrals. Simple referrals made among the providers should not be counted twice. Service numbers for the three separate I, R & A service providers should be combined and analyzed to determine the scope of the Department's I, R & A efforts.

INTRODUCTION

In fulfilling the mission of the Office of the Controller to promote efficient, effective, and accountable government within the City and County of San Francisco (City), the Controller's City Services Auditor conducted a performance audit of the Department of Aging and Adult Services (DAAS). The Department of Aging and Adult Services includes the Public Guardian, Public Administrator, Public Conservator, Office on Aging (and its Commission), the County Veterans Service Office, and the Adult Protective Services unit. In July 2004, the Department of Aging and Adult Services and the Department of Human Services (DHS) were placed under the umbrella of a single Human Services Agency (HSA). The purpose was to benefit from economies of scale that come from integrating fiscal, planning, contracting, administrative reporting and audit responsibilities.

AUDIT SCOPE & OBJECTIVES

The current performance audit of the Department of Aging and Adult Services covers only the services provided by the Office on Aging (OOA). Other units of the Department, including the Public Administrator/Public Guardian and Public Conservator, have been separately audited in recent years and were not included in this analysis. The OOA acts primarily as a contracting agency with community-based non-profit groups to provide direct services to seniors and adults with disabilities. The OOA funds services worth an estimated \$17 million annually, ranging from home-delivered meals to legal services. A listing of all contracted services by program area and their respective dollar amounts for FY 2004-05 is included in Appendix A.

The performance audit objectives were to evaluate how well the Department determines the needs of seniors and adults with disabilities, how effectively the Department monitors contractor performance, how well the Request for Proposal (RFP) process used to select contractors worked, and the efficiency of the information, referral and assistance services the Department provides. Since the OOA provides little direct service and is essentially funding contractors with a mix of Federal, State and local funds for seniors and adults with disabilities, the Department should develop a strong capacity to determine the needs of seniors and adults with disabilities, contract for services that meet those needs, and monitor contractor performance. The merger of DAAS and DHS into one agency creates an opportunity to examine these OOA processes and, where improvement is needed, implement the recommendations of this audit report into the changing organizational structure.

METHODOLOGY

The performance audit involved a review of DAAS' contracts information, year-end reports, the Department's State-mandated Area Agency Plan and its yearly updates, needs assessment studies, contract monitoring reports, Commission on Aging meeting minutes, California Department on Aging Memos and Regulations, Federal and State statutes, benchmarking information from other counties, and other pertinent documentation and

historical records. Audit staff also conducted multiple interviews with DAAS and DHS staff, the Commission on Aging President, DAAS contractors, and stakeholders. The audit also included a focus group with approximately 35 stakeholders and contractors to solicit feedback regarding the Department. Site visits and meetings with the staff were conducted at the ten Neighborhood Resource Centers for Seniors and Adults with Disabilities. Much of the information collected from the focus group and site visits reinforced some of the audit findings and the information helped inform the substance of this report. We conducted this audit according to standards for the professional practice of internal auditing. We limited our review to those areas specified in the audit scope section of this report.

CHAPTER 1

THE DEPARTMENT OF AGING AND ADULT SERVICES DOES NOT ADEQUATELY IDENTIFY NEEDS, ESTABLISH SERVICE PRIORITIES OR JUSTIFY THE LEVEL OF FUNDING ALLOCATED TO ITS CONTRACTED SERVICES

CHAPTER SUMMARY

The needs assessment process conducted by the Department of Aging and Adult Services (DAAS) does not adequately identify the needs of San Francisco's older and disabled adult populations or analyze how needs are addressed by the services it funds. The needs assessment does not adequately prioritize among or establish goals and objectives for the populations served. As a result, the City cannot be confident that it is serving the most critical needs of San Francisco's seniors and adults with disabilities and cannot assure that it is using its resources effectively. To correct this, the Department should use the information from its needs assessment activities to identify specific needs and target populations, identify existing resources and gaps in service, establish service priorities based on needs identified and gaps in service, set goals and objectives on the basis of the priorities, and allocate funds appropriately.

THE DEPARTMENT CONDUCTS STATE-MANDATED NEEDS ASSESSMENT ACTIVITIES. HOWEVER THE ANALYSIS DOES NOT IDENTIFY SPECIFIC NEEDS AND TARGET POPULATIONS, IDENTIFY EXISTING RESOURCES AND GAPS IN SERVICE, ESTABLISH PRIORITIES, OR ALLOW THE DEPARTMENT TO ALLOCATE RESOURCES EFFECTIVELY.

San Francisco researches the needs of the City's senior and disabled adult populations as part of its compliance with Federal and State funding and regulatory requirements. Every four years, the City must develop a State-mandated Area Plan. State regulations specify that the Area Plan should include a systematic process for collecting, analyzing, and interpreting timely information on local service needs of the client population including both seniors and functionally impaired adults. This needs assessment should identify existing, unmet and potential needs, identify target populations, determine the services and resources that exist, identify any underutilized services, and identify any barriers to access. The process should also research and determine the full extent of needs, even if the State does not provide funding for some of the areas identified. The information collected should allow for a "gap" analysis of the difference between the critical needs of the senior population and what is available through government and other service agencies. The Area Plan regulations further specify that counties should identify priorities, set goals and objectives, and focus on a specific range or group of needs and target populations.

The table below summarizes the California Department of Aging (CDA) requirements, what the Department does to comply, and the effects of this information. Specific weaknesses in these processes are then discussed in more detail in Table 1.

Table 1

What the CDA requires	What DAAS Does	Result/Effect
<p><u>Needs Assessment Activities</u></p> <p>The needs assessment should elicit data about the client population, using surveys that address the State’s core questions including age, race, ethnicity and other demographics.</p>	<p>DAAS conducts surveys and other activities that meet the State’s minimum requirements and does additional needs assessment activities such as phone surveys, focus groups, case file assessments, and collection of statistics and reports done by various agencies.</p>	<p>DAAS compiles several sources of information about seniors and adults with disabilities.</p>
<p><u>Identify Specific Needs</u></p> <p>The <u>Area Plan</u> should identify the <i>types</i> and <i>extent</i> of existing and potential needs of the client population within the community.</p>	<p>DAAS identifies several needs, but the <u>Area Plan</u> does not provide adequate information on the extent of those needs, the specific populations with those needs or where those populations are located.</p>	<p>Do not know how much need for particular services exists or the type and extent of needs.</p>
<p><u>Identify Target Populations</u></p> <p>The <u>Area Plan</u> should identify specific target populations, targeting priorities, any barriers to services target populations may have, and methods to be used to address their needs.</p>	<p>The <u>Area Plan</u> states that it targets particular populations, but there is no use of demographic information to indicate how it identifies target populations and services, sets priorities, or chooses methods used to address the needs of target populations.</p>	<p>Do not know how populations are being targeted for services. Have to rely on the Department’s statement that specific populations are targeted in the services funded.</p>
<p><u>Identify Existing Services, Resources and Constraints</u></p> <p>The <u>Area Plan</u> should identify the services and resources existing within the City that are available for addressing identified needs as well as existing constraints.</p>	<p>The <u>Area Plan</u> lists other local resources, including services provided by other City departments and by other institutional and community-based service providers, but the <u>Area Plan</u> does not discuss constraints or how these other service providers complement services provided by the Department.</p>	<p>DAAS might be providing duplicate services and might be allocating its funds to services that are already being provided elsewhere.</p>
<p><u>Identify Gaps in Service</u></p> <p>The <u>Area Plan</u> should identify gaps in services by comparing existing services to the range of unmet needs, under-utilized services, and barriers that prevent access. This “gap analysis” should help suggest priorities for programs and services and where they should be targeted.</p>	<p>The <u>Area Plan</u> does not show an analysis of gaps in service compared to existing services and resources.</p>	<p>Without knowing the gap between what currently exists and what needs are unfulfilled, DAAS cannot effectively identify how programs and services should be prioritized or allocate funds to close the gaps.</p>

What the CDA requires	What DAAS Does	Result/Effect
<u>Establish Priorities</u> The <u>Area Plan</u> should contain the identification in priority order of the areas of need resulting from the assessment process. The needs identified by the needs assessment should lead directly to the establishment of priorities.	The <u>Area Plan</u> lists the findings of each of the needs assessment activities. However, the <u>Area Plan</u> does not show an analysis or method for prioritizing those findings and simply states that overall needs are housing, transportation and in-home services.	The overall needs assessment findings are so broad that they cannot be used as a tool for prioritizing services the Department should fund.
<u>Set Goals & Objectives</u> On the basis of identified priorities, goals and objectives should be developed to guide the planning efforts to focus on a specific range or group of needs.	The <u>Area Plan</u> lists three goals and the objectives for each goal. However, the goals primarily address improvements to the service delivery system rather than focusing efforts on needs identified.	Without goals and objectives based on priorities, the <u>Area Plan</u> may not provide the Department with sufficient direction or guidance for providing services to those most in need.

The Area Plan Does Not Identify Needs of Specific Segments of the Population or How Funded Services Meet the Needs of Targeted Populations

Under State guidelines, the Area Plan should identify the types and extent of existing and potential needs of the client population within the community. The Department's needs assessment identifies very broad categories of need but does not provide adequate information on the specific populations in need such as their locations, the extent or type of need, or the methods to meet them.

For example, Federal mandates of the Older Americans Act state that services must pay particular attention to low-income seniors. To identify low-income populations of seniors, the Area Plan should include information on the income levels of seniors in San Francisco and where the population is concentrated, but the Area Plan does not include any demographic information that would accomplish this. The regulations also emphasize targeting funds and services to non or limited-English speaking persons, among other groups. However, the Area Plan does not discuss the extent or type of needs among this group or the services available to them, such as the availability of translation, naturalization and legal services. Similarly, the regulations emphasize targeting funds and services to frail older persons. However, the Area Plan does not discuss which services are available to this group or the extensive set of needs of this population.

In other area plans reviewed, counties provide specific descriptions of how the needs of the target populations will be addressed. For example, the Silicon Valley Area Plan targets specific populations of individuals living in geographic areas of the county that are in most need. These populations include persons living in districts of San Jose or other parts of Santa Clara County that have incomes below \$25,000 or who have difficulties going outside the home, caring for personal needs, have transportation

difficulties, or live alone. Six specific target populations and the barriers each experience are identified. The Silicon Valley Area Plan shows persons in **greatest economic** need are in Downtown and East Valley districts and in South Valley of the county and includes estimates of the numbers of people with incomes below \$25,000. Persons of greatest economic need require services that supplement income like food and nutrition programs, legal services to assist with problems with benefits, information on subsidized housing, and assistance with job training and placement. Individuals with **greatest social need** are shown to live in the North county and West Valley areas. Persons with greatest social need require case management, personal care and home care services, home delivered meals and respite care.

***The Area Plan Does Not Adequately
Identify Existing Resources or Constraints
or Perform a Gap Analysis***

The Area Plan should identify the services and resources existing within the City that are available for addressing identified needs as well as existing constraints. San Francisco's Area Plan lists other local resources, including services provided by other City departments and by other institutional and community-based service providers. For example, the Area Plan states that there are 111 senior centers and clubs that provide social/recreational/educational programs throughout the City. Besides these 111 centers that provide these services, the Department contracts with 29 contractors to provide community services and also funds nutrition education, community education, housing education, and medication education through several other types of contracts. However the Area Plan does not discuss the scope of services provided by the 111 centers or how the services the Department contracts out complement or overlap with the services provided by these other 111 centers.

The Area Plan's weakness in analyzing complementary services and gaps is particularly problematic in its application to housing. San Francisco's housing affordability problems are well documented, and the needs assessment studies conducted by the Department specifically identify housing as the most prevalent need for seniors and adults with disabilities. DAAS itself does not receive or manage significant funding for housing, however, other City agencies do fund housing services for San Francisco's seniors and adults with disabilities. The Area Plan does list four major programs that the Mayor's Office offers for low-income seniors including an internet-based housing resource database, funds for nonprofit housing development corporations to develop senior housing projects, two programs which fund loans and grants for housing code upgrades, and housing enforcement and rehabilitation for low-income seniors and adults with disabilities. However, missing from the Area Plan is any information about specific senior populations in most need, a strategy for funding housing services that complement other efforts of City departments, or a projection of the future need for senior housing and strategies that might address it.

Constraints affecting service delivery should also be discussed in the Department's Area Plan—such as an outline of the relevant language or cultural barriers, access to transportation, or affordability. However, the only discussion of constraints is that

inadequate funding is available to provide all services. Other area plans we reviewed had specific information on barriers and constraints. For example, the Alameda County Area Plan discusses the barriers that prevent older adults from receiving nutritional needs, medical assistance, and mental health assistance. The Alameda County Area Plan also talks about barriers to meeting religious/spiritual needs and identifies transportation as a barrier to socialization. The Silicon Valley Area Plan specifically discusses constraints to providing two critical needs in the County—in-home services and respite care to prevent unnecessary or premature institutionalization. The Silicon Valley Area Plan discusses the cost of these services and the limits under Medicare and most private health insurance policies that constrain the county's ability to provide them.

The Department's Area Plan should identify gaps in services by comparing existing services to the range of unmet needs, under-utilized services, and barriers that prevent access. This "gap analysis" should help suggest priorities for programs and services and where they should be targeted. The gap analysis should therefore describe the following three conditions:

- *What- What are the unmet needs and what services address those needs?*
- *How large- How large is the unmet need?*
- *Where- Where are the unmet needs? (Specific geographical area)*

San Francisco's Area Plan does not show any analysis of gaps in service compared to existing need, services and resources. Again, other area plans we reviewed included a gap analysis. For example, the Silicon Valley Area Plan consolidates the results of the needs assessment data collected, including specific geographic information, and states that major gaps in service were found to exist with the availability of respite programs for caregivers, for individuals who experienced difficulty going outside of home and caring for personal needs with no one available to provide assistance.

Without adequate knowledge of existing services, the scope of resources available, and the resulting gaps in services, DAAS might be failing to provide services that are critically needed, and/or providing duplicate services.

The Area Plan Does Not Establish Adequate Service Priorities Based on Needs Identified in the Needs Assessment

The Area Plan should identify, in priority order, the areas of need resulting from the needs assessment process. San Francisco's Area Plan lists the findings of its needs assessment activities but does not provide analysis or methods for prioritizing those findings and simply states that the overall needs are housing, transportation and home and community based services. The needs assessment findings are so broad that they cannot support prioritization of the services the Department should fund.

Needs assessment activities conducted by DAAS such as focus groups, town hall meetings, and other reports showed a variety of needs of seniors and adults with disabilities, but these listed, rather than prioritized, needs without respect to severity or

criticality. The Area Plan simply states in a short paragraph that as a result of the needs assessment, the findings of highest priority are housing, transportation, and home and community-based services such as in-home care, case management, safety, nutrition, and money management programs. These broad categories of need do not allow the agency to reach conclusions as to what to fund. For example, there are many types of housing needs such as supportive housing, subsidized housing, and housing for the disabled, some of which may be more needed than others. Frail seniors need more in-home services while non-English speaking seniors need more translation and information services. These types of distinctions and service priorities are absent in the Area Plan.

Other area plans we reviewed established priorities, addressed the needs of specific populations based on targeting requirements under Federal and State law and demonstrated how resources would be allocated. For example, Alameda County identifies all services being provided through the county and uses an allocation formula countywide that targets funds to populations of older adults most in need within four geographic areas. In a similar fashion, Santa Clara County analyzed its needs assessment findings and developed two key prioritization rules; *severity of needs* and the *size and characteristics of the populations* affected. When taken together, the information and decision rules led the county to target specific populations and to fund 16 priority services.

***Lack of Effective Prioritization of Needs
Prevents DAAS From Developing
Goals and Objectives Based on Needs***

On the basis of identified priorities, goals and objectives should be developed to guide the planning efforts to focus on a specific range or group of needs. The Department's Area Plan lists three goals:

- 1) Provide an integrated, consumer-driven system to meet senior needs that reflects the diversity of San Francisco seniors;*
- 2) Provide ongoing planning efforts to ensure appropriate services are available to San Francisco seniors as the demand for home and community-base services increases, and;*
- 3) Identify and develop specific targeting methods to reduce access barriers to isolated older and disabled adults.*

Rather than addressing how the needs identified will be met, these goals primarily address improvements to the service delivery system. Two of the goals are followed by objectives that identify units of service and populations to be served, but it is not clear that these derive from the needs identified by the Area Plan research. Without a clear link to the needs assessment, these goals and objectives do not provide the Department or decision-makers with sufficient direction or guidance for providing service or making allocation decisions.

In other county area plans we reviewed, goals and objectives are linked to priority areas of need identified in the needs assessment. For example, the Silicon Valley Area Plan

describes goals and objectives that are specific to the services to be provided and distinct from other goals and objectives directed toward improving or enhancing services, improving the service delivery system, and enhancing funding for long-term care services.

In summary, San Francisco's needs assessment process does not effectively accomplish the purpose of determining the needs seniors and adults with disabilities. The Area Plan collects information on the population, local organizations and other public agencies that deliver services to the older and disabled adult populations, but it does not effectively compile or analyze this information. Without an accurate picture of needs in the community and the services being provided, it is not possible to determine where gaps exist. Consequently, it is not possible to determine how the Department should prioritize or allocate resources to meet the needs of the older and disabled adult community in San Francisco. The fact that San Francisco has limited resources for aging and adult services makes it critical to correct these weaknesses in the planning process.

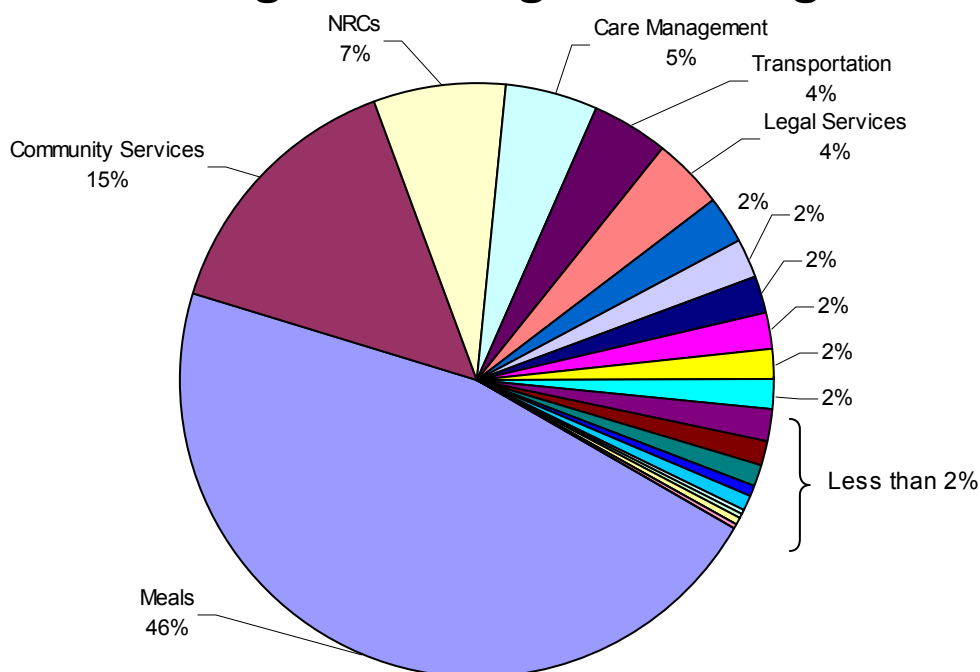
FINDING 1-B. THE OFFICE ON AGING'S FUNDING DISTRIBUTION TO SPECIFIC SERVICES DOES NOT REFLECT THE NEEDS MOST OFTEN IDENTIFIED BY THE DEPARTMENT'S OWN NEEDS ASSESSMENT ACTIVITIES.

There are a total of 29 categories of services currently funded by the Office on Aging (OOA) of which the top five funded are Congregate Meals (25%), Home-Delivered meals (21%), Community Services (15%), Resource Centers for Seniors and Adults with Disabilities (7%), and Care Management (5%). These five services make up an estimated 73% (\$12.4 million) of the total OOA contracted services. The majority of spending is for Congregate Meals and Home-Delivered Meals, which make up around 46% of the funding. The OOA spends almost \$10 on meals¹ for every dollar spent on transportation and housing combined. The total amount spent on meal programs is also more than the aggregate amount spent on every other program (excluding Community Services). A review of the funding allocation also shows that 21 of the 29 services funded by the OOA are funded for less than 2% of the total funding. Appendix A shows the amounts and percentage of funding each service receives and the chart below illustrates that funding allocation.

¹ Meals refer to the Congregate Meals, Home Delivered Meals, and HDM Clearinghouse service categories.

Figure 1

Funding Percentages for Programs



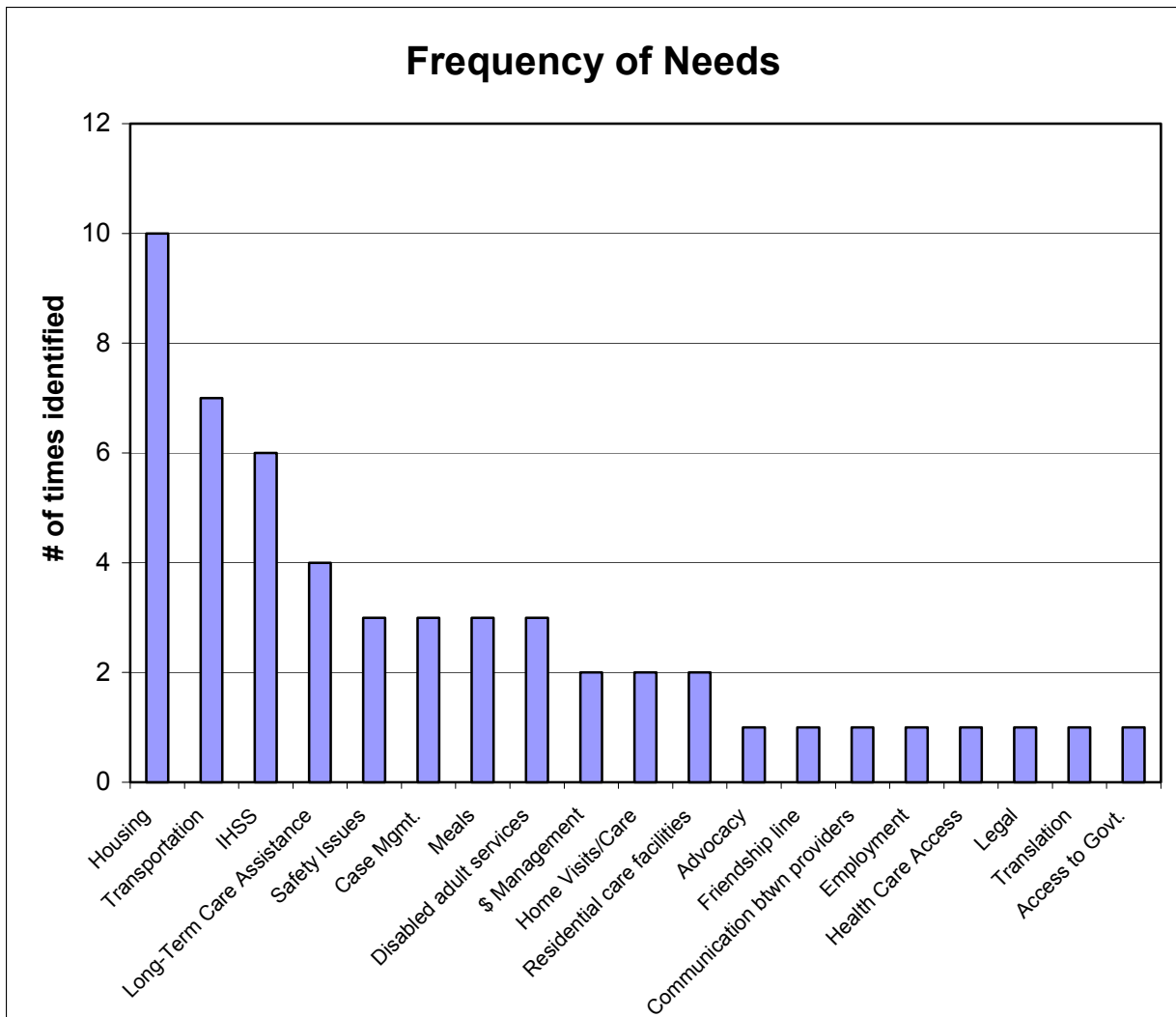
- | | |
|--|----------------------------------|
| Meals | Community Services |
| NRCs | Care Management |
| Transportation | Legal Services |
| Family Caregiver Support Program | District Wide Social Service Wkr |
| IHSS | Naturalization |
| Alzheimer's Day Care Resource Center | Adult Day Health/Adult Day Care |
| Ombudsman | Linkages |
| HICAP | Senior Empowerment |
| Housing | Health Screening |
| Brown Bag | Elder Abuse Prevention |
| Senior Companion | Medication Management |
| Respite (POS)-Linkages Service (Not Shown) | |

The OOA receives around one-third of its funding for contracted services from the State and Federal governments under a variety of grants and some of these monies must be spent on particular services. In addition, the Department must match Federal and State dollars with a percentage of local dollars in the services it contracts out. For example, the Department receives \$1,069,405 in Title III C-1 funds from the Federal government. These funds are broken down into \$96,172 for administration and \$973,233 for congregate nutrition programs. The Department must match the administration Federal funding by 25% with local monies and must match the congregate nutrition program's Federal funding by 10.53% with local monies. This means that the Department must match the Federal funding of \$1,069,405 in Title III C-1 with a match of \$126,524 local dollars.

Even after meeting Federal and State funding and local matching requirements, the OOA has around \$10 million dollars of discretionary funding (see Finding 1-C) that it can spend on services other than the Federal and State mandated programs. The OOA can thus allocate a considerable amount of funding according to the needs of seniors and

adults with disabilities. As discussed in Finding 1-A, the needs assessment does not analyze and show what services should be funded or justify the funding amounts spent on each service. The Department rather summarizes its research by stating that housing, transportation, and home and community based services are the top three identified needs. However, these results are too broad for purposes of allocating the OOA's \$17 million to various services and does not justify the amounts that the Department should allocate to each particular service. Because of these shortcomings, the auditors examined the results of each of the needs assessment studies mentioned in the Area Plan and took a tally of the number of times needs were identified. The tally reflects an indicated need for more or better quality of a service. The needs listed most frequently in the Area Plan are shown below.

Figure 2



The need for senior and disabled adult housing is prevalent—arising in the needs assessment described above, in the Fall 2002 need assessment studies, and in discussion with Department staff. Yet the OOA spends less than 1% of its funding on housing. Transportation was the next most identified need after housing, and receives

approximately 4% of all funding. IHSS, third in frequency, is funded for only 2% of all OOA funds. In addition, several other needs were identified yet receive very little funding compared to funding for meals, Community Services, and Neighborhood Resource Centers. For example, the tally above shows that the need for case management was identified as many times as meals, yet the OOA only funds its Care Management services with 5% of its funds and spends around 46% on meals. In another example, Information, Referral and Assistance (I, R & A) services are not frequently cited in the Department's needs assessment, yet a significant amount of resources, both direct and contracted, are devoted to this area.

According to Department staff and documentation supplied to the auditors, funding allocation for particular services in the FY 2003-04 RFP process were made primarily based on prior years' allocations rather than on determinations of current needs established through the Department's needs assessment process. In simple terms, the level of funding allocated to services is not justified in the Area Plan or in any of the Department's needs assessment studies. The Department incorrectly claimed that meals were the most important need identified in the Fall 2002 Needs Assessment when it allocated \$552,110 of the \$1.16 million of add-back funding² to meals programs. However, the Fall 2002 Needs Assessment did not conclude that meals were the most important need but rather noted that the primary areas of need were affordable/accessible housing, transportation/paratransit, and nutrition.

The City's Human Services Agency does spend hundreds of millions on exactly these needs—more than \$75 million on IHSS annually including \$40 million in local funds, and more than \$40 million, of which over \$30 million is local funds, on housing programs, some of which benefits seniors and adults with disabilities. As the primary planning document for senior services, the Area Plan should lay out how this spending, and/or the work of other agencies and programs, is meeting the population's needs and thereby justify the allocation of OOA funds to certain types of services. Without this analysis there is no assurance that the OOA is funding the most critical needs of seniors and adults with disabilities in San Francisco. The Area Plan and the Department's needs assessment activities do not justify the current allocation of the OOA resources among the 29 different services provided.

FINDING 1-C. THE OOA OVERMATCHES ITS LOCAL FUNDING FOR FEDERAL AND STATE-MANDATED PROGRAMS BY AN ESTIMATED \$10 MILLION. THESE DISCRETIONARY LOCAL DOLLARS COULD BE DIRECTED TO OTHER SERVICES FOR SENIORS AND ADULTS WITH DISABILITIES OR FOR ANY OTHER PUBLIC PURPOSE.

For FY 2004-05, the OOA has around \$11.5 million in local funds and \$5.8 million in Federal and State funds that are dedicated to contract services. This means that around one-third of the OOA funding for contracted services comes from the Federal and State governments. Federal and State programs require local matches in varying percentages,

² The Department received add-back funding from the Mayor and the Board of Supervisors for its contracted services during the RFP process for FY 2003-04. The specifics of the add-back funding are discussed in Chapter 3 of this report.

but the Department does not review the matching requirements for each of the programs in detail, instead, it matches the relevant program areas with approximately \$3 million in local funds, constituting a local match of about 52% overall—significantly higher than required by any program. The Department estimates that actual minimum matching requirements are around \$1.8 million (32% of Federal and State funding), and that the “overmatch” of local funds is around \$10 million.

The effect of the \$10 million overmatch is that the OOA allocates a large portion of its discretionary funding to the same programs it receives Federal and State dollars for, namely meals programs. The OOA receives around \$3.4 million to spend on meals from the Federal and State government. The exact amount of local monies the OOA must spend on meals to match the \$3.4 million is undetermined because of the manner in which the OOA converts grant monies to specific contracted services. However, a reasonable estimate is that the OOA must match Federal and State dollars for meals by 20%. This means that the OOA would have to contribute an additional \$684,475 of its local monies to meals besides the \$3.4 million it receives from the Federal and State governments. The estimated total amount the OOA must spend on meals is therefore \$4.1 million. However, the OOA spends around \$8 million on meals—approximately 46% of its total budget and 33% of its local funds. The OOA therefore chooses to spend an additional \$3.9 million of its local monies on meals even though they are not required to do so.

At a minimum, the Department should detail the amounts of local monies that must be spent to supplement Federal and State programs. The Department does not have an adequate grasp of these minimum local matching requirements per program and instead overmatches Federal and State dollars with a large portion of local monies. The result is that the OOA is supplementing State and Federal programs with more monies than required. The OOA could re-direct approximately \$10 million of local funds to meet other critical needs of seniors and adults with disabilities. For example, at a cost of approximately \$1 million, the OOA could roughly double the units provided for some of the services that address housing, transportation and support needs such as grants-in-aid for emergency housing assistance (\$40,000 to provide an additional 100 grants), group van rides (\$680,000 for an additional 40,000 trips) and personal care, homemaker, and chore services (\$280,000 for an additional 17,100 hours of service). Any funding allocation must take into account the impact on current services and the limited resources available to the OOA. Currently, the needs assessment activities are inadequate at linking resources to needs and the Department lacks stated priorities for allocating OOA funding.

RECOMMENDATIONS

- The Department should use the needs assessment information to identify specific needs and target populations, identify current resources and gaps in service, establish clear service priorities, set goals and objectives, and allocate the OOA’s limited funds accordingly. The information should also be used for broader strategic purposes such as identifying needed legislative changes and leveraging

funds. The Department may want to solicit assistance from an outside consultant for these purposes.

- As part of its Area Plan, the Department should develop a more comprehensive approach to assessing the types and level of services being provided to seniors and adults with disabilities by other organizations, including other City departments. Such a process should specify and quantify the services being provided and include an analysis of unmet needs so that the Department avoids duplication and efficiently funds needed services.
- The Department should review other county area plans and model its work on some of the best practice methodologies described in the audit findings above. Specifically, the Department should review how other counties identify specific needs and target populations, identify current resources and gaps in service, establish clear service priorities, set goals and objectives, and allocate funding.
- The Department needs to justify the level of funding allocated to its contracted services in its needs assessment. Specifically, the Area Plan should describe how the needs identified through the needs assessment activities are met by the specific services the Department contracts out.
- The Department needs to determine the minimum matching requirements for each of the Federal and State monies it receives and spends on specific services. After the Department accomplishes this task, the Department should use the discretionary local funding available to fund services that are reflective of the needs of seniors and adults with disabilities identified in the Department's needs assessment activities.

CHAPTER 2

THE DEPARTMENT SHOULD IMPROVE ITS CONTRACT MONITORING PROCEDURES AND TOOLS IN ORDER TO ADEQUATELY CAPTURE CONTRACTOR PERFORMANCE AND ENSURE CONSISTENCY

CHAPTER SUMMARY

The Department of Aging and Adult Services (DAAS) uses a series of tools to monitor contracts, such as checklists and units of service reports, and has six staff and one manager (currently vacant) for this purpose³. Overall, the monitoring system is weak—assessment and follow-up activities are inconsistent, program staff have different understandings of the tools and requirements that should be enforced, and management oversight is minimal. DAAS does have some contract monitoring policies and procedures in place, but they are not being applied in a consistent and uniform manner. Some contractors are allowed to administer their own contract monitoring assessments, while others have the assessments administered by staff. Follow-up is inconsistent even where monitoring reports clearly indicate a need to address findings. Almost all of the Department’s contract monitoring tools are designed to capture contractor compliance with State and Federal requirements and report the quantities of service expected. Contractors are not being adequately evaluated on the quality of the services and insufficient program-specific data is captured to adequately assess the services provided for particular service categories. The Department of Human Services’ Office of Contract Management (OCM) assumption of responsibility for DAAS contract administration and monitoring will not by itself address these weaknesses.

An effective contract monitoring system should consist of structures, policies and procedures sufficient to ensure that the objectives of a contract are accomplished, vendors meet their responsibilities, and the City’s risk is mitigated. An adequate contract monitoring process should incorporate the following elements:

- Contract monitoring training for staff
- Written policies and procedures
- Clearly communicated expectations to vendors
- Organized and sufficiently documented contract files
- Regular programmatic reports from vendors
- On-site monitoring/visits
- Funding linked to satisfactory performance
- Use of incentives for good performance and consequences for poor performance
- Measures of customer satisfaction

³ Prior to consolidation, contract management was under the authority of its Deputy Director of Finance and Administration, who has since retired. Contract management duties are now the purview of the Office of Contracts Management of the Human Services Agency, into which one OOA Program Analyst and one OOA Nutritionist have transferred.

Audit staff reviewed the Department's written policies and procedures for contract monitoring as well as the Department's contract monitoring files to determine the extent and adequacy of the Department's programmatic monitoring. Audit staff also reviewed the Department's contract monitoring training for staff as well as the specific staffing assignments and forms used for monitoring. In addition, audit staff examined the quality and reliability of the monitoring tools themselves and the consistency and uniformity of their use among the Department's Program Analysts.

FINDING 2-A. CONTRACT MONITORING IS INCONSISTENT AND WEAK. SOME PROVIDERS ARE DOING THEIR OWN ASSESSMENTS. MONITORING TOOLS, DOCUMENTATION AND FOLLOW-UP ARE NOT CONSISTENT. TRAINING AND ROTATION OF PROGRAM ANALYST STAFF DO NOT OCCUR AND MANAGEMENT OVERSIGHT IS MINIMAL.

Four manuals are available to DAAS Program Analysts who have responsibility for contract monitoring policies and procedures; the Policy Memoranda Manual for All Contractors of the Office on Aging, the Linkages Program Manual, the Alzheimer's Day Care Resource Centers Program Manual and the Office On Aging (OOA) Staff Manual. Although these manuals are extensive, they lack specific references to contract monitoring policies and procedures. Key contract monitoring tools currently utilized by Department staff, such as the *Consumer Satisfaction Survey* and a basic report from the Department's on-line tracking system, the *SF GetCare Variance Report*, are not mentioned in any of the procedural manuals. There are no directions in any of the procedural manuals regarding follow-up procedures or documentation requirements for contract monitoring.

In reviewing the contract monitoring processes and interviewing staff, the audit found that staff and managers do not have an adequate grasp of the monitoring procedures and requirements. Program Analysts who met with the audit team initially identified the *SF GetCare Variance Reports*, *Annual Baseline Assessments*, and *Consumer Satisfaction Surveys* as the only three mandatory contract monitoring tools used. Subsequent research determined that there are 26 additional forms and monitoring tools and reports in use for various purposes and programs. Some of these tools capture the same information. For a complete list of all contract monitoring tools see Appendix C.

Audit staff evaluated a sample of seventeen contracts in order to ascertain the consistency and completeness of monitoring procedures. Contractors at a high, medium, and low level of funding were chosen in order to analyze a broad spectrum of service providers. Contractor assessment files were reviewed to ensure that they contained documentation showing that the three mandatory monitoring tools had been used and to evaluate the consistency of the monitoring.

The sampled files were relatively complete, with *SF Get Care Variance Reports* and *Annual Baseline Assessments* on file for all contractors examined, and *Consumer Satisfaction Surveys* on file for thirteen of the seventeen. However, overall the monitoring procedures were not being administered or used consistently. The *Annual*

Baseline Assessment is designed to ensure that funds are expended in compliance with Federal, State and local regulations, and in keeping with the purposes for which they were awarded. The sample of *Annual Baseline Assessments* found that some were self-administered and others were administered by Department staff. According to the Program Analysts, due to staffing shortages, “high performing” providers are allowed to administer their own *Annual Baseline Assessments*, while others have their assessments administered by Department staff. Approximately 11 out of 45 contractors were approved for self-assessments for FY 2004-05.

Contractors whose *Annual Baseline Assessment* results indicate the need for follow-up are not receiving consistent treatment by the Department. According to the Department, there are no set procedures regarding follow-up methods for the *Annual Baseline Assessment*, and no regulations or procedures regarding follow-up were found in the Policy Memoranda Manual for All Contractors of the Office on Aging. If the *Annual Baseline Assessments* resulted in some sort of deficiency, the Program Analysts would issue a compliance memo to the contractor, but the ensuing follow-up is largely at the discretion of the individual Program Analyst. Some Program Analysts may follow up in writing, while others may follow up verbally. Among the files evaluated, there were files with no evidence of follow-up even though the *Annual Baseline Assessment* indicated findings. Some files also lacked compliance verification memos, which verify that the findings detailed in the *Annual Baseline Assessment* have been resolved.

The weaknesses in the Department’s contract monitoring procedures are exacerbated by a lack of managerial oversight of the Program Analysts, lack of job-specific training for contract monitoring, and lack of rotation of contract monitoring assignments among Program Analysts. The Department’s Program Manager position with responsibility for supervising and training the Program Analysts has been vacant since August of 2004. Processes that were already inconsistent when the Program Manager was in place have become more so, with individual Program Analysts utilizing varied approaches to the contract monitoring function.

The Department also lacks structured training for the Program Analysts with content that addresses contract monitoring policies and procedures. Documentation regarding staff training includes many classes on topics pertinent to seniors and adults with disabilities, but there is no indication that there were or are any training sessions regarding the contract monitoring policies and procedures or the duties of a Program Analyst. Lack of rotation of contract monitoring assignments among Program Analysts has also contributed to inconsistency in contract monitoring. Contractors have the same monitor from year to year, and differences in contract monitoring approaches have emerged and stayed in place. Although some reassignments occurred in November 2004 as a result of the DAAS/DHS merger that moved some Program Analysts to DHS, there is currently no regularly scheduled rotation of contract monitoring assignments for the Program Analysts. Department staff stated that there was discussion regarding rotation of assignments. However, Program Analysts were resistant and the idea was abandoned.

Feedback obtained from the auditor’s focus group with service providers further substantiated the lack of consistency and uniformity in contract monitoring procedures.

A significant number of the contract providers interviewed stated that the contract monitoring methods vary greatly among the individual Program Analysts. Permanent contract monitoring assignments, combined with procedural inconsistencies, has created a perception among contractors of favoritism by the Department.

Taken together, the weaknesses discussed above may cause the Department to fail to identify under-performing contractors or those at risk of not being able to fulfill their contract obligations, thereby affecting the services received by seniors and adults with disabilities.

RECOMMENDATIONS

- DAAS should develop a current policies and procedures manual for contract monitoring that provides detailed information regarding contract monitoring processes, guidelines regarding the use of specific contract monitoring tools, a schedule specifying the frequency of contract monitoring procedures, identification of mandatory contract monitoring procedures that distinguishes between compliance monitoring for State and Federal regulations and performance monitoring, methodologies for testing, requirements for staff rotation, review procedures for management, comprehensive follow-up procedures for any deficiencies resulting from monitoring and the types of supporting documentation that should be retained.
- DAAS should fill the vacant Program Manager position to provide the Program Analysts with sufficient oversight, guidance and training.
- DAAS should rotate contract monitoring assignments among the Program Analysts. Regularly scheduled rotation of contract monitoring assignments would also allow Program Analysts to become acquainted with a wider variety of DAAS funded contractors and service delivery issues.
- DAAS management should implement a training program on contract monitoring for the Program Analysts utilizing the elements discussed above (policies and procedures, monitoring tools, compliance and programmatic approaches).
- DAAS management should emphasize the importance of consistent and uniform contract monitoring procedures to the Program Analysts and periodically sample contract files to assess whether contracts are being monitored appropriately.

FINDING 2-B. DAAS CONTRACT MONITORING TOOLS EMPHASIZE UNITS OF SERVICE AND COMPLIANCE DATA BUT ARE NOT DESIGNED TO ADEQUATELY CAPTURE CONTRACTOR PERFORMANCE.
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In order to adequately evaluate contractor performance, the Department needs to collect both sufficient qualitative data to determine whether contractors are providing high quality service to their clients and sufficient quantitative data to determine if the contractors are meeting the units of service requirements stipulated in their contracts. For

the purposes of this audit, qualitative data refers to information that reflects the quality of services provided by the individual contractors (such as the language capabilities of the staff or the comfort level of the facilities). Quantitative data refers to numerical data gauging the quantity or amount of services provided (such as units of service data). Compliance data refers to information that verifies conformity with a given set of rules, laws or regulations (such as the Federal regulations for nutrition programs).

The three mandatory contract monitoring tools identified by staff are designed to capture quantitative and compliance oriented data and collect little information about the quality of the services being provided. The *Annual Baseline Assessment* form contains six out of seventy questions/criteria geared towards collecting qualitative data, with the remainder collecting compliance related data. Likewise, the *Annual Consumer Satisfaction Survey* contains five generic questions about satisfaction with the contractor but does not capture information about customer satisfaction with the quality of the specific services being provided. This is important because contractors often provide multiple types of services and satisfaction with particular services will vary. Finally, the *SF GetCare Variance Reports* only show the provider's adherence to the units of service standards stated in their contract.

The lack of qualitative information in the Department's contract monitoring tools can directly impact the services consumers receive. The Department's documentation does not distinguish between high quality service providers and low quality service providers. For example, the Department contracts with 29 separate contractors for Community Services. The specific services include activity scheduling, translation, and social services, with the units of service measured in hours. The Department tracks whether or not the 29 agencies are providing the total hours of services contracted for but does not monitor quality of these specific services. The Department could monitor the types and quality of the social services, the effectiveness of the translation services, and the quality of the counseling services being provided. Consequently, the Department has no basis for comparing the services provided by these 29 separate contractors and cannot use monitoring information to determine how to distribute its funding or whether to provide technical assistance to improve quality.

DAAS contract monitoring tools should also gather sufficient program-specific data to accurately assess the service provided. Although the *Annual Baseline Assessment* was designed using California Department of Aging standards, it is generic and is being utilized to measure a broad range of disparate services, from transportation to legal services. Similarly, the *Consumer Satisfaction Survey* used by the Department, which should theoretically provide measures of quality, is designed primarily with yes/no questions and does not capture information about the specific services being provided. The overall effect is that quantitative and compliance-oriented analysis is the focal point of DAAS' contract monitoring processes and service providers are not being adequately evaluated on the quality of the services they are contracted to provide.

Monitoring tools are general in nature and do not capture sufficient program-specific data or service issues with the exception of nutrition programs that are monitored by Nutritionists under State regulations. While monitoring tools for nutrition programs

include qualitative standards, as a whole, the Department's monitoring tools are deficient and the three main contract monitoring tools identified by staff are designed to capture quantitative and compliance oriented data and collect little information about the quality of the services being provided. The lack of qualitative and program-specific data makes it difficult to determine whether contractors are providing seniors or adults with disabilities with good quality service. In some cases, gaps in information are being filled with separate monitoring processes and tools. Staff effort is duplicative and some contractors are required to participate repeatedly in segmented monitoring activities.

RECOMMENDATIONS

- The Department should consider implementing new contract monitoring tools or changing existing contract monitoring tools to incorporate *qualitative assessments* of services provided by contractors. For example, monitoring tools should measure the quality of the health services, the effectiveness of the translation services, and the quality of the counseling services being provided by the 29 Community Services contractors and not just the number of hours of activity scheduling, number of hours of translation, and number of social services hours provided. Examples of other qualitative assessment criteria applicable to a variety of services are:
 - **Tangibles:** The physical facilities, equipment, appearance of personnel and the presence of other participants.
 - **Reliability:** The ability to perform the promised service dependably and accurately.
 - **Responsiveness:** Willingness to help participants and to provide prompt service.
 - **Assurance:** Knowledge and courtesy of staff and their ability to convey trust and confidence.
 - **Empathy:** Caring individualized attention to participants.
- The Department should consider implementing new contract monitoring tools or changing existing contract monitoring tools to incorporate *program-specific* measures for the various specialized services. The new or revised contract monitoring tools should also include measures of the services being provided rather than relying on overall satisfaction with a contractor.

<p>FINDING 2-C. SF GETCARE REPORTS ARE UNRELIABLE AND INACCURATE, MAKING IT DIFFICULT FOR THE DEPARTMENT TO CONDUCT ACCURATE ASSESSMENTS OF SERVICES PROVIDED BY CONTRACTORS.</p>
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The Department uses a web-based information system called SF GetCare to track units of service provided by contractors. This system provides the format and reporting information required by the California Department of Aging (CDA). The system is accessible online to providers under contract with DAAS to record, track, manage and report information on consumers and the services they receive. Department staff creates

a report from the SF GetCare system called the *SF GetCare Variance Report*, which is designed to measure disparities between the units of service (UOS) that the contractors are obligated to provide and the actual units of service delivered.

In the course of the audit, incorrect information was found in a randomly selected *SF GetCare Variance Report* and upon further inquiry, numerous sources, including Program Analysts, contractors and management staff, confirmed that the information in the *SF GetCare Variance Reports* is often faulty. Department staff also provided the audit team with spreadsheets that some Program Analysts use to track variances in units of service among the contract providers. Staff members recreate these reports in addition to using the *SF GetCare Variance Reports* because of inaccurate or unreliable data on the part of the SF GetCare system. Feedback from contractors during the audit focus group process indicated that contractors also maintain separate tracking documents. Although the audit did not test whether the inaccurate SF GetCare service data is caused by system problems or by errors on the part of contractors inputting the data, there is some indication that the problem is due to data management and reporting problems in the system itself.

The unreliable units of service data from SF GetCare make it difficult to gauge whether providers are complying with the terms of their contracts. DAAS may fail to identify duplication of effort, gaps in services, and under-performing providers. Specifically, the Department may pay for services that are not being rendered, or, alternatively, fail to reimburse contractors for their cost of service.

As of the writing of this report, the Department is in the process of making changes to SF GetCare. The Department is ending its contract with the current service provider, RTZ Associates, and is developing a contract with a new service provider. The information and referral component that is publicly available on the web will be maintained by a new contractor and will be launched in the spring of 2005. The component which is used by contractors to enter service data and by Program Analysts to monitor contractors will be brought in-house and maintained directly by the Department's own information technology staff and will transition the following fiscal year. The Department anticipates that these changes will solve the problems they have been experiencing with SF GetCare.

City financial records show periodic payments to RTZ totaling \$2.6 million from FY 2000-01 to FY 2004-05 for both development and maintenance work done through FY 2003-04, and the Department has not yet been invoiced by RTZ for any costs incurred in the current fiscal year. Some of the funding for SF GetCare was provided through grants restricted to that purpose, and some through the General Fund. According to the HSA, the new reporting tools will have an estimated set-up/development of \$50,000 and service costs estimated at \$42,000 annually, plus City staff costs.

RECOMMENDATIONS

- As noted above, the Department is currently working to replace SF GetCare with tools that are more accurate, reliable, can be used by contractors, and do not require duplication of efforts by the Program Analysts to determine whether

contractors are complying with the terms of their contracts. The Department should establish a regular program of testing the accuracy of service data and reports.

- Given the cost and performance problems identified with SF GetCare, the Department should also evaluate the contract with RTZ Associates and determine whether its service expectations have been met.

FINDING 2-D. THE DEPARTMENT OF HUMAN SERVICES' OFFICE OF CONTRACT MANAGEMENT CONTRACT MONITORING PROCEDURES WILL NOT ABATE THE ISSUES IDENTIFIED WITH DAAS PROGRAM MONITORING.

As discussed in the introduction to this report, a reorganization has placed the Department of Aging and Adult Services and the Department of Human Services (DHS) together under the Human Services Agency (HSA) umbrella. As a result, DHS' Office of Contract Management (OCM) is assuming responsibility for the administration and monitoring of DAAS contracts. This transition was occurring as the audit began and continues to take shape as of the writing of this report. As currently planned, OCM staff will be assuming the administration, including the request for proposal process, and fiscal monitoring of DAAS contracts. Program monitoring will continue to be performed by DAAS Program Analysts.

The auditors examined OCM's fiscal monitoring procedures to determine if their internal controls over contract monitoring could be applied to DAAS contracts in order to mitigate the deficiencies identified in this report. In summary, OCM does conduct fiscal monitoring and site visits, but it does not retain evidence of monitoring in contract files and also lacks written policies and procedures for administration of contracts. In order to abate the problems identified in this report OCM will need to address the specific problems with DAAS contract monitoring rather than relying solely on their own procedures.

The Office of Contract Management Lacks Adequate Written Policies and Procedures for Administration and Monitoring of Contracts

The audit staff requested DHS' policies and procedures for contract monitoring and were provided with a half-page document, "Site Visit and Fiscal Monitoring," which states that the purpose of the site visit is to verify that the contractor's fiscal practices are proper and that contract and fiscal compliance are adequate and the "HSA OCM Site Visit Form" which lists the contract and fiscal compliance verification steps the contract manager should take both prior to and during a site visit. An additional document is a "Division of Labor" form, which describes the respective duties of the OCM contract managers for fiscal monitoring and the DHS division program managers for program monitoring. According to the OCM Director, other than the documents described, there are currently no comprehensive policies and procedures for contract administration including contract monitoring. However, the Director indicated he is currently working to develop a

policies and procedures manual that will address all aspects of the contracting process. There is no department-wide set of policies and procedures for programmatic monitoring, however, divisions within DHS do have their own policies and procedures that vary depending on the types of contracts they have.

***The Office of Contract Management Generally
Conducts Site Visits but Does Not Retain
Evidence of Monitoring in Contract Files***

OCM's objective is to conduct a fiscal monitoring site visit once a year for its contractors. The audit selected a sample of DHS contract files to determine whether there was sufficient evidence that monitoring was occurring and, if so, whether the monitoring appeared adequate to ensure that contractors were complying with requirements and whether funds were being spent appropriately. Nineteen files were reviewed from three contract areas: Family and Children's Services, Housing, and Welfare to Work. The sampled files were evaluated for whether they contained some or all of the following:

- Engagement letters showing the dates of the planned monitoring;
- Follow-up or compliance letters describing any problems found and what was needed to resolve them;
- Site Visit Forms;
- Contract manager notes or copies of any documents that were reviewed; and
- Monitoring Report Summaries that accompany the contract renewal memo to the Human Services Commission.

Our review found that while most contract files had evidence of monitoring activities, such as correspondence from the Contract Manager or hand-written notes made during field visits, overall the evidence in the files was not sufficient to conclude that the monitoring activities were consistent or adequate. In some cases, there was no evidence that either fiscal or program monitoring had occurred. In none of the files we reviewed were there copies of documents tested or reviewed or documentation of testing procedures that occurred. None of the files contained a completed "HSA OCM Site Visit Form."

For performance monitoring, which is conducted by Program Managers in the various DHS divisions, the only evidence that monitoring had occurred was in the Monitoring Report Summary that accompanies contract renewal requests to the Human Services Commission. Some Monitoring Report Summaries as provided to the Commission included statements about the results of performance, as well as fiscal monitoring information. In some cases, there was evidence in the Monitoring Report Summaries that fiscal monitoring had occurred but there was no evidence performance monitoring had occurred.

RECOMMENDATIONS

- OCM should develop a policies and procedures manual for contract monitoring. As discussed in the recommendations under Finding 2-A, such a manual should provide detailed information regarding how fiscal and program monitoring of DHS contracts should be conducted, including monitoring frequency, the types of testing that should be performed during a monitoring visit, and the types of supporting documentation that should be retained. To the extent that existing policies and procedures used by DAAS are applicable, they should be incorporated into the new manual.
- OCM should also develop a site visit summary form (or modify the existing site visit form) to provide information on fiscal and programmatic monitoring activities, results, and corrective actions taken and to serve as a basis for the report that accompanies contract renewal requests to the Human Services Commission.

CHAPTER 3

THE DEPARTMENT SHOULD REVISE THE RFP PROCESS SO THAT IT IS COMPETITIVE AND BASED ON OBJECTIVE CRITERIA THAT REFLECT THE NEEDS IDENTIFIED THROUGH THE NEEDS ASSESSMENT PROCESS

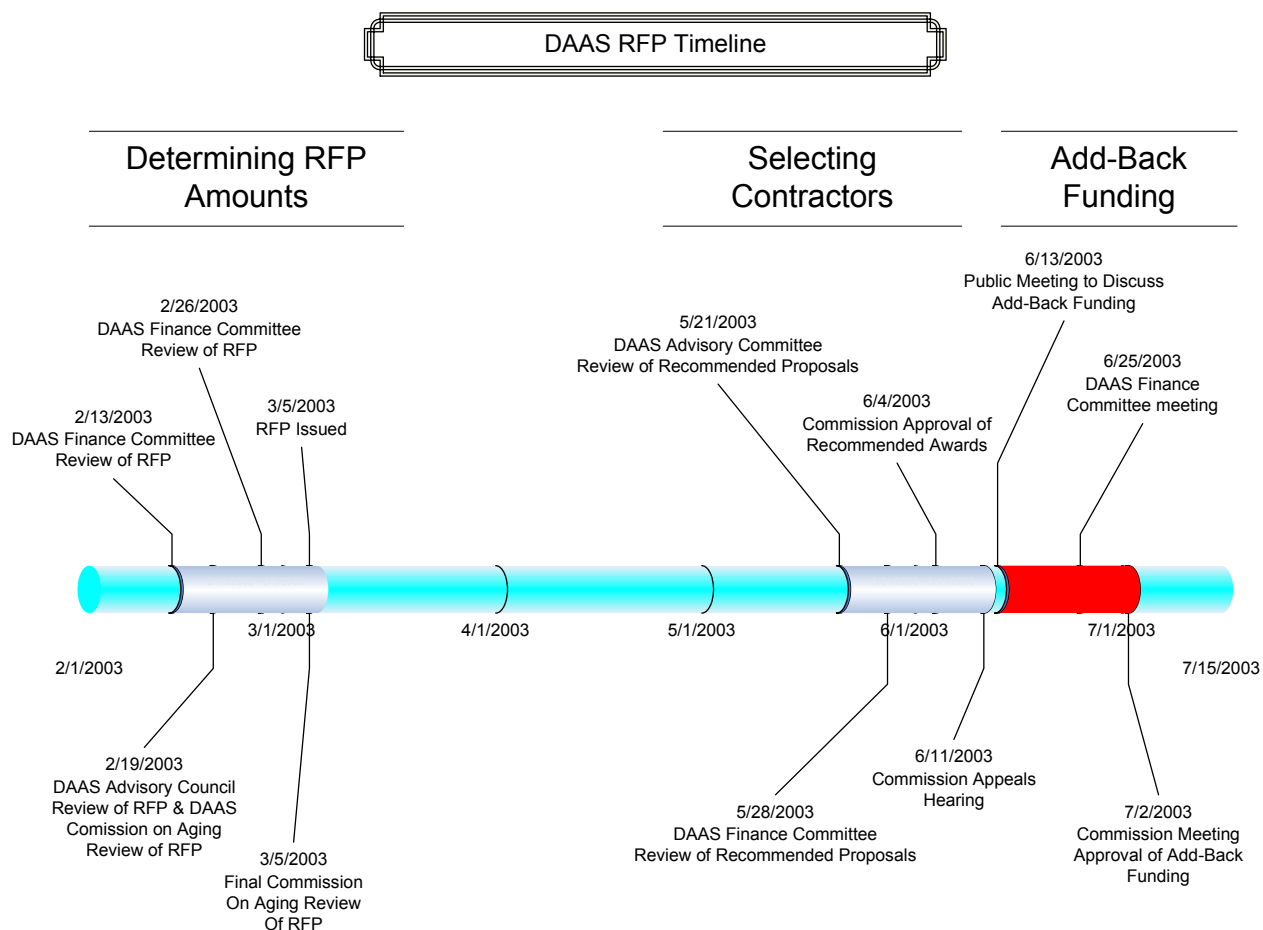
CHAPTER SUMMARY

The Office On Aging (OOA), formerly the Commission on Aging (COA), is the designated Area Agency on Aging for San Francisco. The OOA is responsible for implementing the mandates of the Older Americans Act, and in that capacity, it serves as the planning, advocacy, service coordination and systems development body for services for older persons. The Older Americans Act requires that all Area Agencies on Aging conducting RFPs have an “open and competitive process” and ensure that “all applicants are treated equitably.” The expectation is that the Department establish funding guidelines that support an open and competitive RFP process. Once established, the Department should make every effort to meet those guidelines.

The California Code of Regulations states that contract awards shall be limited to a one-year period but at the discretion of the OOA contracts may be renegotiated up to a maximum of three additional one-year periods before undergoing an RFP process. San Francisco’s Department of Aging and Adult Services (DAAS) renegotiates contracts with existing service providers every year and conducts an RFP for most of its services every three years. Around 85% of the OOA funds are in the same RFP cycle with the exception of the Family Caregiver Support Program, Neighborhood Resource Centers for Seniors and Adults with Disabilities, and Paratransit services. The most recent RFP process took place from February 2003 to July 2003 and the terms and provisions of the contracts awarded were for July 1, 2003, through June 30, 2004, with renewal options for FY 2004-05 and FY 2005-06.

The Department’s RFP process consists of two main parts; determining the amounts of funding for each of 25 service categories and selecting bidders for funding within each category. The RFP document created for the FY 2003-2004 process was reviewed at four separate public meetings before being approved and issued. Once issued, bids are received, scored, and ranked by the Department. The Department’s initial recommendations to fund specific bidders was presented at a meeting of the Department’s Advisory Council, and was followed by two other meetings that provided feedback regarding the Department’s recommendations. Funding awards for bidders changed multiple times during these meetings. The Commission made its final approvals on June 4, 2003 and considered appeals at a Commission hearing on June 11, 2003. Following this process including the appeals hearing, the Department distributed an additional \$1.16 million in “add-back” funding received from the Mayor and Board of Supervisors. The timeline below illustrates the allocation process.

Figure 3



The audit found that consistent and objective criteria were not used to select all contractors or allocate funding amounts. The Department did not follow the RFP rules or funding guidelines it established and the outcomes were frequently not based on the RFP scores. The additional \$1.16 million in add-back funding distributed by the Department was largely allocated in a manner not reflective of either the RFP scores or prior Commission award decisions. For example, bidders received add-back funding even though they were not funded in the RFP process. Some bidders did not receive any funding despite the fact that they scored higher than other bidders receiving funding in the same service categories. In addition, some contractors were awarded a greater percentage of the amount they requested while other bidders with higher scores were awarded a smaller percentage of the amount they requested. The Department used several justifications for distributing monies to particular contractors and for the amounts distributed, however, these justifications were not consistent, were not indicative of a fair and competitive process, and appear to have been influenced by advocacy efforts of the bidders. The audit also found that the Department receives revenue from the State at different times during the year and the total amounts tend to fluctuate. The manner in which the Department funnels these changes in revenue to contractors is subject to the same weakness identified in the RFP process. Some of the exceptions that will be discussed are summarized in Table 2 below. Details of all exceptions to the RFP scores and rankings noted are in Appendix D.

Table 2

Exceptions	Number of bids
Number of bids initially recommended for funding that scored under 70 points⁴.	8
Number of bids awarded funding by the Commission during RFP process that scored under 70 points⁵.	11
Number of bids ultimately receiving funding in FY 2003-04 that scored under 70 points⁶.	16
Number of bids receiving funding in FY 2003-04 that were not approved for funding by the Commission during the RFP Process⁷.	6
Number of bids that did not ultimately receive funding even though they scored & ranked higher than other bidders that received funding⁸.	4

FINDING 3-A. CONSISTENT AND OBJECTIVE CRITERIA WERE NOT USED TO SELECT ALL CONTRACTORS AND TO SET CONTRACTOR FUNDING AMOUNTS AND RESULTED IN DAAS AWARDING A CONTRACT TO A POORLY QUALIFIED SERVICE PROVIDER.

The Department established several rules regarding the RFP application procedures, evaluation criteria, award process, budget requirements, contract requirements, and audit requirements. The audit review of the evaluation criteria and award process found that the Department did not adhere to the funding rule it established governing the RFP process. In addition, the Department established five funding guidelines for selecting contractors. However, these guidelines were not communicated in the RFP packet given to bidders and most of these guidelines were not followed in the Department's award recommendations or the Commission's funding decisions. The one guideline that appears to have been consistently followed, however, seems to run contrary to the intent of a fair and competitive RFP process. As a result of the Department not adhering to the funding rule, not following most of its funding guidelines, and that the only funding guideline followed was uncompetitive and contrary to the intent of a fair and competitive RFP process, the audit concludes that objective criteria was not used to select all contractors or set contractor funding amounts.

⁴ The Department's first funding recommendations discussed at the Advisory Council Meeting, 5/21/03.

⁵ As of the end of the Commission Appeals decisions, 6/11/03.

⁶ Actual amounts in FY 2003-04.

⁷ As of the end of the Commission Appeals decisions, 6/11/03.

⁸ As of the end of the July 2, 2003 COA Add-Back Meeting.

***The Department Did Not Adhere to the Rule
It Established Governing the RFP Process***

The RFP application packet given to prospective bidders specifically stated in bold letters that ***“Applicants receiving a score of 70 or less will not be considered for funding.”*** As noted above, bidders that scored under 70 points were not only considered for funding in the Department’s deliberations, but were also recommended and ultimately ended up receiving funding. The Department’s initial funding recommendation taken to the DAAS Advisory Council was to fund eight bids that scored under 70 points. Some of these bids were recommended for funding over other bids that scored over 70 points. After all the funding award changes that occurred during the RFP process and add-back funding, 16 out of the 20 bids that scored under 70 were funded. See Appendix D for full details.

When the Department presented its first award recommendations to the DAAS Advisory Council on May 21, 2003, they included guidelines that contradicted those initially communicated to bidders. The funding guidelines also included a disclaimer that stated that these guidelines might be in tension with one another and that the results of the RFP are only advisory to the Commission on Aging. These funding guidelines stated:

“To the extent possible the following recommendation guidelines will be utilized:

1. Proposals **scoring under 70 points should not be funded.**
2. Bids should not be funded for more dollars than requested.
3. Services should be available in underserved geographical areas.
4. Services should be assured for targeted populations.
5. Awards should approximate current service.

Note: For some recommendations these guidelines support and function well together. In other instances the guidelines are in tension with one another, e.g., low rating but service is in underserved geographical area. California Department of Aging (CDA) Regulations for Requests for Proposal, Title 22, Section 7358, Item C states, ‘The recommendations of the Bid/Proposal Evaluation Panel are advisory to the AAA decision-making body which shall be responsible for all award decisions.’”

It seems that the intent of the changed guidelines and disclaimer in this document was, in part, to justify funding recommendations that differed from the original guidelines. On this issue, the auditors note that the CDA regulation quoted by the Department continues with: “If award decisions are based upon factors other than the evaluation criteria contained in the RFP, a full justification for the decision shall be documented.” Title 22, Section 7358, Item C

The Department gave some justifications for funding the 16 bids out of 20 that scored under 70 points during the RFP and add-back meetings. The justifications were based upon factors other than the evaluation criteria contained in the RFP and were incomplete, inconsistent and not applied equally. For example, some of the bidders were restored to their FY 2002-03 levels and some were pro-rated to a portion of their previous funding level without regard to the RFP scores. One bidder that scored under 70 points received funding in order to retain staff even though they were not awarded any funding as a result

of the RFP process itself. The specific reasons given for funding based on factors other than the evaluation criteria are described in detail in Appendix D.

The significance of awarding funds based upon factors other than the evaluation criteria contained in the RFP is not that bidders that score under 70 points should never be awarded funding. In some cases, there may be good reason to fund bidders that score under 70 points. However, the Department did not communicate its funding guidelines and when it did, the guidelines contradicted what was initially told to contractors.

The immediate effect of the Department not following the RFP rule was widespread discontent with the process and several appeals of the funding decisions. This discontent was apparent in several of the Commission meetings that took place during the RFP and add-back processes and from the feedback given at the focus group held by the auditors. On a larger scale, the effect of the funding decisions was that some contractors which might have been ill equipped to provide services were funded. The impact on senior services is clear in the case of the Commission's decision to fund Filipino American Council for three separate bids (Community Services, Home-Delivered Meals (HDM), Congregate Meals) worth a total of around \$109,000 even though the contractor scored well below 70 points on each bid. Another bidder scored and ranked higher in one of the categories but was not awarded funding. Filipino American Council was subsequently put on probation for failing to meet its obligations and later de-funded six months into the fiscal year (January 2004). The Department then contracted with West Bay Pilipino for the remaining part of the fiscal year for Community Services and Congregate Meals, but a new home-delivered meals contract was not provided. In this case, West Bay Pilipino had not originally submitted a bid for Congregate Meals and thus did not demonstrate its capacity to deliver that service through the RFP process, yet it received a contract for \$31,516 following the de-funding of Filipino American Council.

Most of the Department's Funding Guidelines it Established for Selecting Contractors Were Not Followed

As indicated earlier, the Department established the following five funding guidelines for awarding monies to bidders:

“To the extent possible, the following recommendation guidelines will be utilized:

1. Proposals scoring under 70 points should not be funded.
2. Bids should not be funded for more dollars than requested.
3. Services should be available in underserved geographical areas.
4. Services should be assured for targeted populations.
5. Awards should approximate current service.”

Out of the five guidelines established, the Department did not follow three of them and it is unclear whether one was followed. The first guideline states that proposals scoring under 70 points *should* not be funded. As previously discussed, this guideline was not followed as the Department's first recommendations to the Commission included funding

eight bids that scored under 70 points and 16 out of the 20 bids that scored under 70 were funded by the end of the add-back allocation process.

The second guideline states that bids should not be funded for more dollars than requested. However, the final awards include 18 separate occasions where funding exceeds the bidder's request. The justifications for awarding more funding than requested are not based on RFP scores or rankings but rather on separate deliberations made by the Department and Commission. For example, for Community Services, two bidders—Project Open Hand and International Institute of San Francisco received more funding than requested. None of the 19 bidders that scored and ranked higher than these two bidders received more than they requested. For Congregate Meals, one bidder—Project Open Hand, received \$66,188 more than it requested even though it was providing less service than the previous year. In the same category, another bidder, Self Help for the Elderly, ranked higher yet received \$40,000 less than the amount it requested even though it was expected to expand services. A third example shows that for home-delivered meals, one bidder, Filipino American Council, was awarded \$7,100 more than requested, even though it was the lowest ranking bidder in that category. All but one of the other bidders for home-delivered meals received less than they requested.

The third recommendation guideline states that services should be available in underserved geographical areas. However, the RFP scoring process did not include any mention or specific evaluation of underserved geographical areas. The location of the contractor and the geographical need for service were not a part of the scoring process. In addition, the targeted underserved geographical areas were not identified in the RFP packet. The only program that mentions specific geographical areas in the RFP packet given to bidders was the Food Bag program. However, the areas mentioned (Bayview Hunters Point, Visitacion Valley, OMI, Western Addition, Inner Mission, Tenderloin, Chinatown, North & South of Market, and Sunset) cover a large portion of the City and are not specific enough to be referred to as underserved geographical areas. This program was less than 0.25% of the total RFP amount in FY 2003-04. It cannot be determined if services are available in underserved geographical areas because of the lack of available information about underserved geographical areas, the lack of information about all contractor's capacity to serve these areas, and the lack of geographical comparisons of bidders.

The fourth recommendation guideline states that services should be assured for targeted populations. It appears that the fourth recommendation guideline was not followed because the Department's funding recommendations and the Commission's final decisions diverted from the capacity of bidders to serve targeted populations as indicated in the RFP score. Each bidder's RFP score already included an evaluation of the "effectiveness in serving the OOA target populations as listed in the RFP's Targeting mandates." This question was worth 10% of the bidder's overall RFP score. However, consideration for assuring services to the targeted population became part of the selection criteria again when the Department used it as a funding guideline independent of the RFP score. As a result, a bidder may have been selected for allegedly targeting a particular community when in fact another bidder's RFP score is more indicative of its capacity to serve the targeted populations.

The Only Guideline Followed Was Uncompetitive

The fifth recommendation guideline was the only guideline that appears to have been followed. It states that awards should approximate current service. This guideline, interpreted by the Department as keeping existing contractors, contradicts to some degree the competitive intent of the RFP process. The Department does not seem to have evaluated whether other bidders could provide the same services or whether other bidders could better serve clients.

The add-back funding was primarily used to fund contractors who were not selected during the RFP process but had contracts the previous year (FY 2002-03). Specifically, at the end of the Commission appeals process, 17 bids were not awarded funding. Out of those 17 bids, seven contractors had been funded the previous year. By the end of the add-back process, the Department “restored” funds to all but one. Nine of the ten other bidders who did not have a previous contract and were also not awarded funding as a result of the RFP process were not awarded any of the add-back monies. In addition, out of all the 67 bids that received increased funding during the add-back process, only one (Senior Action Network, HICAP) did not have an existing contract the previous year⁹. In effect, the Department used the add-back funds to fund existing contractors even if in several cases that meant not funding bidders that scored and ranked higher as a result of the RFP process. This occurred in the Community Services, Care Management, and Naturalization Services categories. See Appendix D for specific details.

The lack of consistent and objective criteria used to select all contractors or contractor funding amounts was apparently caused by the Department and Commission’s unwillingness to let the RFP scores and rankings drive the funding decisions. The Department created new funding guidelines after the RFP was issued, and interpreted the guidelines in ways that favored certain contractors. As noted above, the immediate effect of the Department was widespread discontent among bidders and a sense of distrust of the fairness of the RFP process. The various weaknesses in the RFP process affected the outcomes such that there is no assurance that the Department contracts for services for seniors and adults with disabilities from providers that are the most qualified.

RECOMMENDATIONS

- The Department should follow the rules it establishes in the RFP process, clearly communicate the rules in the RFP packet given to bidders and not change the rules during the process. Any funding decisions that deviate from the rules should be fully justified, documented, and the reasoning behind those justifications should be complete and consistently applied.
- The Department must establish competitive funding guidelines and ensure that there are mechanisms to resolve conflicts between funding guidelines. Protocols and rules should be established for determining when one funding guideline should receive priority over another. The FY 2003-04 RFP and subsequent add-

⁹ For a service previously provided by the Department.

back allocation process did not have these protocols, with the result that inconsistent funding decisions were made based on differing funding guidelines.

- The Department should communicate its funding guidelines to bidders *before* the bids are evaluated and ranked. With this knowledge, bidders would be able to demonstrate the extent to which they meet the funding guidelines by tailoring their proposals to prove that they can meet those guidelines. Bidders could design their proposal to demonstrate that they can provide service to a particular targeted community or provide service more efficiently.
- The Department should follow the guidelines it establishes, note any deviation from the guideline and ensure that any change are made through a fair, open, and competitive process. Although the Department may have a legitimate reason for deviating from its guidelines, the justification and logic for funding particular contractors and for granting particular amounts should be consistent.
- The Department must also be clear on how it plans to use RFP scores and rankings and should clarify whether the amounts granted are directly correlated to the RFP scores, or what other considerations will apply.

FINDING 3-B. LOBBYING EFFORTS INFLUENCED THE DEPARTMENT AND THE COMMISSION'S FUNDING DECISIONS AND THE JUSTIFICATIONS USED FOR SELECTING CERTAIN CONTRACTORS WERE SOMETIMES INCONSISTENT AND/OR UNSUPPORTED BY ANALYSIS.

The level of review and input to the RFP process creates opportunities for changes that might not be consistent with the intent of a fair and competitive allocation process. During the FY 2003-04 RFP process, there were several changes made to the Department's initial funding recommendations that went against the RFP rules and funding guidelines, and did not follow any consistent criteria. Although the Department's initial recommendations also went against the RFP rules and funding guidelines, the subsequent changes that occurred as a result of advocacy efforts further exacerbated the lack of consistent and objective criteria being used to select bidders. The level of input in the RFP and add-back process also created a situation that pitted contractors against each other and encouraged advocacy efforts to receive more funding. The final allocation decisions seemed to have been influenced by the level of input and review.

A strong correlation exists between the final funding decisions and the advocacy efforts of contractors. For example, the Commission did not approve funding for Filipino American Council for a variety of services it bid on. However, during the RFP and add-back meetings, advocates for the bidder lobbied on its behalf, speaking 20 times, more than for any other organization. Even though the bidder scored very low on all its bids, the Commission decided to award them \$20,000 for Community Services, \$68,514 for Congregate Meals, and \$20,559 for HDM. In another example, analysis suggests that increases in funding for bidders in the Legal Services and District Wide Social Services Worker categories during the add-back process were also influenced by the number of

times that advocates spoke on behalf of a contractor. Appendix D describes these correlations.

In contrast, Chinese Newcomer did not have any advocates that lobbied on its behalf in any of the RFP or add-back meetings as shown in the minutes of these meetings. Chinese Newcomer was not funded for Naturalization Services during the add-back process, despite the fact that they scored above 70 points and ranked 8th. However, within the Naturalization Services category, another bidder scored and ranked lower and was funded. That bidder, La Raza Centro Legal, had advocates speak on its behalf at three separate meetings. Even though La Raza scored under 70 points, ranked 10th, and scored 20 points lower than Chinese Newcomer, they were awarded funding.

The Department and the Commission received numerous complaints from bidders as is evident in the RFP meeting minutes and the large number of appeals to the Commission's decisions. A Commissioner even admonished the behavior of contract agencies during the RFP and add-back process citing incidents of uncivil behavior and personal attacks on Commissioners. Several contractors questioned the Department's decisions and were appalled that even though they had higher RFP scores and/or aimed to provide services to distinct targeted populations, they were not recommended for funding or did not receive as much funding as others that scored lower. This created a situation where contractors publicly disputed each other's capacity to serve. The dissatisfaction with the RFP process was echoed during the audit focus group where most of the attendees indicated dissatisfaction with the RFP and add-back allocation process. Many felt the funding decisions were unfair, unclear, and highly political.

Both the Department and the Commission appeared to have been influenced by advocacy efforts and special considerations were given to certain bidders that were not analyzed for accuracy and applied equally to all bidders within the service categories. If the Department or the Commission make special considerations and do not follow their RFP rules and guidelines, these considerations should be thoroughly analyzed and applied equally. Overall, the influence from various groups seems to have resulted in many funding decisions that were not correlated to the contractor's RFP scores. Although input from the public is a valuable component of any RFP process, this input should be considered in support of, and not in conflict with, the RFP scores and rankings. Such an approach would protect the Department and the Commission from appearing to make arbitrary decisions or decisions that favor a group for reasons not related to its service delivery capacity.

RECOMMENDATIONS

- The Department should streamline its RFP process so that the feedback received from the Advisory Council, Finance Committee, Commission on Aging, and the public is considered in support of, not instead of, the RFP scores and rankings. The feedback received during public meetings should be compared to the RFP analysis, needs assessments, and priorities of the Department. This comparison should be consistent, and should be made for all contractors within the specific bid categories.

- The Department should adhere to its recommendations unless substantial evidence is presented that demonstrates the need for making a change. Simply stating that a bidder serves a particular population or stating that by not funding a particular bidder consumers will be impacted is not enough to justify changing funding recommendations. The Department should provide evidence for making funding changes and in doing so should ensure that the same considerations are given to every bidder within a service category.

FINDING 3-C. THE MANNER IN WHICH THE DEPARTMENT FUNNELS CHANGES IN FUNDING TO CONTRACTORS IS SUBJECT TO THE SAME WEAKNESSES AS THE RFP PROCESS.

The audit also found that the lack of adequate internal controls for determining contractor funding is not limited to the RFP process. The Department receives monies from the State on an ongoing basis to fund a portion of the services it contracts out. These monies come in at different times during the year and the Department must make budgetary estimates about the actual amounts that will be received. Oftentimes, the State increases funding for certain programs and the Department thus has additional funds to distribute to contractors. Likewise, the State may cut funding for particular programs during the year. The manner in which the Department funnels these funding changes to contractors is subject to the same weaknesses identified in the RFP process. Changes that occur as a result of more or less money coming in from the Federal and State governments should be allocated fairly, openly, and competitively. The manner in which the AAA will plan for increased or decreased resources should also be clear from the discussion of priorities in the Department's Area Plan.

***The Department Faces Uncertainty
Regarding its Revenue Streams***

The Department receives several million dollars in Federal and State funds each year. These funds are used for programs supported by the Federal Older Americans Act and the Older Californian's Act and are earmarked for a variety of different services including Congregate Nutrition, Home-Delivered Nutrition, Medication Management, and several other programs. The monies received from the Federal and State governments also require a local match of the City's General Fund monies. The allowable expenditures for each of the particular monies received are complicated and require a thorough knowledge of the Older Americans Act, Code of Federal Regulations, California Code of Regulations, and California Welfare and Institutions Code. Complicating matters further, the amounts that the Department receives throughout the year are subject to change as both the Federal and State governments revise their funding amounts. A portion of the funding amounts that the Department has to contract with providers is thus always pending availability of funds released by the CDA.

Further uncertainty results from the Department's poor internal controls over revenue and funding information. Information supplied to the auditors by Department staff demonstrates that the Department has struggled to distinguish between Federal, State, and

local revenues and which monies were used to fund contractors for specific programs. As revenues fluctuate during the year, it is often not clear how the Department converts the changes in revenue to changes in the contract amounts of specific providers.

In the past, the Department has allocated State and Federal dollars specifically to individual contractors (about 30-35 of 44 Community Based Organizations). This made monthly and year-end reporting of State and Federal revenues (and accompanying local matches required) difficult and added to the confusion regarding which contractor should receive increased funding as additional dollars came in from the State and Federal governments. The Department admitted that the Office on the Aging has not had reliable contract information in a few years. Although the Department has made strides in its administration of grants and revenues for FY 2004-05, the Department struggled with providing reliable information regarding FY 2003-04.

For example, the auditors reviewed the final amounts paid to contractors for FY 2003-04 and the contract amounts for FY 2004-05. The information initially supplied by the Department indicated that there were 12 changes to contracts from the July 2, 2003 COA Add-Back meeting to the Final FY 2003-04 amounts. In addition, the initial information supplied shows that there were 29 changes from the Final FY 2003-04 amounts to the FY 2004-05 contract amounts. However, after several exchanges with the Department, it was determined that the reasons for those changes had to do with the Department providing inaccurate or incomplete information to the auditors, additional State and Federal monies coming in, one contractor being defunded and the remaining amounts being redistributed, and changes in accounting procedures. The Department did not notice the discrepancies until the auditors pointed them out. The Department should ensure that changes in contract amounts are continually monitored and that the manner in which the Department tracks funding per contractor is consistent from year-to-year.

The Department Lacks Standard Processes For Allocating Funding Changes to Contractors

The uncertainty surrounding State and Federal funding reiterates the need for strong controls over how funds are allocated. Some of the increases in funding from the Federal and State governments are earmarked and the Department is limited to which services it distributes the monies to. In these cases, the Department does not use a clear and consistent process to allocate those increases to specific service providers. Likewise, when funding cuts must be made, there is a lack of consistent approaches to determine how cuts are made. Some of the Department's recommendations involve across-the-board cuts to service providers while other recommendations involve targeted cuts to particular services. In other cases, particular services are held harmless.

For example, DAAS received additional funding for the Family Caregiver Support Program during FY 2003-04. The additional funds were distributed among the existing five service providers and each received roughly the same percentage increase (17%-19%) to their original contract amounts. In contrast, funding changes that occurred for IHSS services followed a different logic. DAAS received a \$44,000 workorder from DHS for FY 2003-04 to supplement its direct IHSS consumer services. DAAS and the

Office on the Aging had initially intended to allocate the entire \$44,000 for IHSS advocacy efforts by increasing Planning for Elders in the Central City's (PECC) existing contract of \$45,000. Upon reviewing the terms of the informal grant agreement with DHS, however, DAAS decided to reallocate this \$44,000 workorder to other direct IHSS services.

In terms of funding cuts, the Department was asked by the Mayor's Office to make baseline and contingency reductions for FY 2004-05. The Department's initial plan was to first look at actual RFP allocations as of the previous spring and seek to reduce the amount of additional funding that was added via the add-back process the previous year. With a second plan, reduction amounts would vary by program according to their allocated share of the RFP. A third plan would grant a categorical exemption for nutrition programs, home delivered meals, congregate programs and Food Bag programs. The ensuing increase in the community-based service reductions for all other programs would be 16.7% across the board. After creating these three plans, the Department changed its strategy and allegedly prioritized services and made recommendations for cutting services based on the Fall 2002 needs assessment. In particular, the Department recommended cutting housing advocacy services and naturalization services. However, the targeted cuts recommended were not reflective of the assessment as housing was one of the most, if not the most, important need identified from the assessment. The Department later changed its reduction recommendations. The housing advocacy and naturalization program cuts were replaced by across-the-board reductions to all programs, except in-home services and nutrition programs (i.e., Food Bag, Congregate Nutrition and Home-Delivered Meals). There was no justification provided for why in-home services and nutrition programs were not cut across-the-board. In fact, cuts for other programs included administrative cuts, targeted cuts, and some across the board cuts because DAAS wanted to maintain all service categories. After the Department presented these changes to the Commission, the Commission asked the Department to clarify the logic used to make those cuts.

RECOMMENDATIONS

- The Department should ensure that its changes over the administration of Federal and State revenues and the allocations for contractors are reliable. The Department appears to have made some strides in this area, but it needs to continue to track and make more transparent the changes to contractor's funding amounts as a result of changes in revenues.
- The Department must create a policy document or funding guidelines that reflect how changes will be funneled to contractors if revenue streams change. The plan must prioritize services and needs in a logical and competitive manner—providing more or few units for existing services, moving to a ranked list of services that could not be funded with the original budget, or other approaches supported by analysis.

CHAPTER 4

THE DEPARTMENT DOES NOT HAVE ADEQUATE INFORMATION ABOUT THE OUTCOMES OF ITS INFORMATION, REFERRAL AND ASSISTANCE SERVICES

CHAPTER SUMMARY

The Department funds I, R & A services through the ten Neighborhood Resource Centers (NRCs), the Department's internal I, R & A unit and as part of the services that some contractors must provide. Though the extent of these services and amount of funding that goes into these services is considerable, the Department does not know the results and outcomes of all its I, R & A services. Contractors who provide these services do not track them independent of their other services. The three I, R & A service providers aggregate different service data and the Department lacks consistent definitions between the providers for what should count as a unit of information, referral, follow-up, or assistance. Referral procedures between and among I, R & A providers lead to duplicate service numbers counted. As a result, the Department cannot adequately compare services or assess the degree of overlap or engage in efforts to maximize the efficiency of the I, R & A services it provides.

**FINDING 4-A. THE DEPARTMENT DOES NOT HAVE ADEQUATE
INFORMATION ABOUT THE RESULTS AND OUTCOMES OF ITS
INFORMATION, REFERRAL AND ASSISTANCE SERVICES.**

The Department of Aging and Adult Services (DAAS) provides information, referral and assistance services to seniors and adults with disabilities in three ways: the ten NRCs it funds, the Department's internal I, R & A unit and as part of contracted services that include provisions for various I, R & A related services. The ten NRCs are currently operated by three contractors; the Institute on Aging (IOA), Self-Help for the Elderly (SHE), and Network For Elders (NFE). Seven of these locations are housed within a center that provides other direct services while the other three NRCs are stand-alone sites. The Department's internal unit responds to calls from the public requesting information and referral, assistance and follow-up services. The Department also funds a number of contractors that deliver I, R & A related services through a variety of disparate programs such as the Housing Advocacy/Counseling and the Family Caregiver Support Program. Because the Department does not adequately track and aggregate the same data among its three I, R & A service providers, it is difficult to determine the real scope of the Department's I, R & A efforts, compare the results of the different providers, control duplication of effort, or use the information for needs assessment purposes.

In FY 2003-04, the Department spent at least \$1,585,000 directly on I, R & A services¹⁰, not including the funding for contractors that have information and referral services as an

¹⁰ This figure consists of \$370,000 for the estimated annual cost of the Department's internal I, R & A unit and the \$1,215,000 of funding for the 10 NRCs.

ancillary part of their contract. This level of funding makes I, R & A the highest funded service after Meals (\$7,852,141) and Community Services (\$2,534,124) and means that the Department spends more money on I, R & A services than it spends on almost all direct service areas.

***The Department Does not Adequately
Track and Aggregate Data Among the
Three I, R & A Service Providers***

Although the Department provides I, R & A services through a variety of means, the providers are not tracking the same information and the Department is not aggregating the results. For example, the NRCs track the percentage of consumers who contacted the centers by telephoning, walking-in, or other methods and provide each center's totals in their annual report. However, the Department's internal I, R & A unit does not report these numbers even though their intake form does track how the contact occurred. Similarly, the NRCs report a total of 7,343 follow-up contacts and the internal unit reports 703, and the intake form used by both entities has a section to track the outcome of follow-up efforts, but neither the internal unit nor the NRCs track and aggregate the outcome of follow-up efforts. The intake form also has a section to track the service needs and areas of clients that lists 70 separate service needs and areas that should be tracked for each contact, but neither the NRC or internal unit provide numbers regarding which service needs are most requested. The internal unit's staff and the NRCs both indicated that housing information is the most requested service but there is no data available to determine the actual percentage of contacts that deal with housing.

Information tracked by contractors providing I, R & A related services shows only broad programmatic categories and fails to capture the amount of I, R & A related service provided. For example, 29 organizations are funded by the Department to provide translation services as part of their contract but track only total hours of translation provided and not the hours or number of seniors receiving I, R & A related translation assistance. Similarly, contractors are funded to provide I, R & A related services under the District-Wide Social Service Workers, Housing Advocacy/Counseling, Family Caregiver Support Program and Elder Abuse Prevention Programs. For example, within Housing Advocacy services, contractors are paid to distribute housing option materials and maintain a current housing list of affordable housing options and vacancies for seniors and adults with disabilities. Despite the fact that these contractors are partially providing the same services as the NRCs and the Department's internal unit, there are no requirements for contractors to report their service units. Deficiencies in tracking and aggregating all of these types of data are summarized in Appendix E.

The Department does not have a consistent set of definitions or protocols that describe how information and referral, follow-up, and assistance requests should be counted and tracked by all the I, R & A service providers. The internal unit and the NRCs provided some definitions, but their definitions are unclear on how to distinguish between information and referral, follow-up, and assistance units of service. Moreover, some definitions of the NRCs and the internal unit are not the same and there is some indication that they are counting the same type of requests under different categories.

For example, a person might call an NRC to discuss a possible elderly abuse case. Due to the nature of the inquiry, the client should be directed to contact the Department's Adult Protective Services (APS) unit. The NRC will refer the caller to APS and record this contact as an information and referral contact because the NRC referred the client. However, if the same client called the Department's internal unit instead of the NRC, the caller would be counted as unit of "assistance" rather than a referral because the internal unit works closely with APS supervisors to assess the need for APS involvement.

As a result of the lack of consistent definitions and a clear protocols on how to count I, R & A units of service, the Department is not counting all units of service provided in the same manner among its I, R & A service providers and the units of service cannot be compared because they capture different types of information.

***Referral Procedures Among the
Various I, R & A Service Providers
Leads to Duplication of Service
Numbers in the Department's
Year-End Totals***

The practice of referring clients between the NRCs and the Department's internal I, R & A unit causes duplication of service numbers. Department staff stated that the internal unit sometimes receives calls from clients that were referred to them by the NRCs. Likewise, Department staff stated that because of their limited language capacity, they sometimes refer calls to the NRCs, which have a greater language capacity. The internal unit does not track how the caller heard of them and is thus unable to prevent double counting of clients that were referred to them by the NRCs. For example, a client might call an NRC to solicit information regarding Medicare eligibility and be referred to the Department's internal unit that could provide them with specific information. The NRC would count the contact as a referral contact while the internal unit would count it as a "caller." These two separate I, R & A providers are essentially recording the same client under two different classifications.

RECOMMENDATIONS

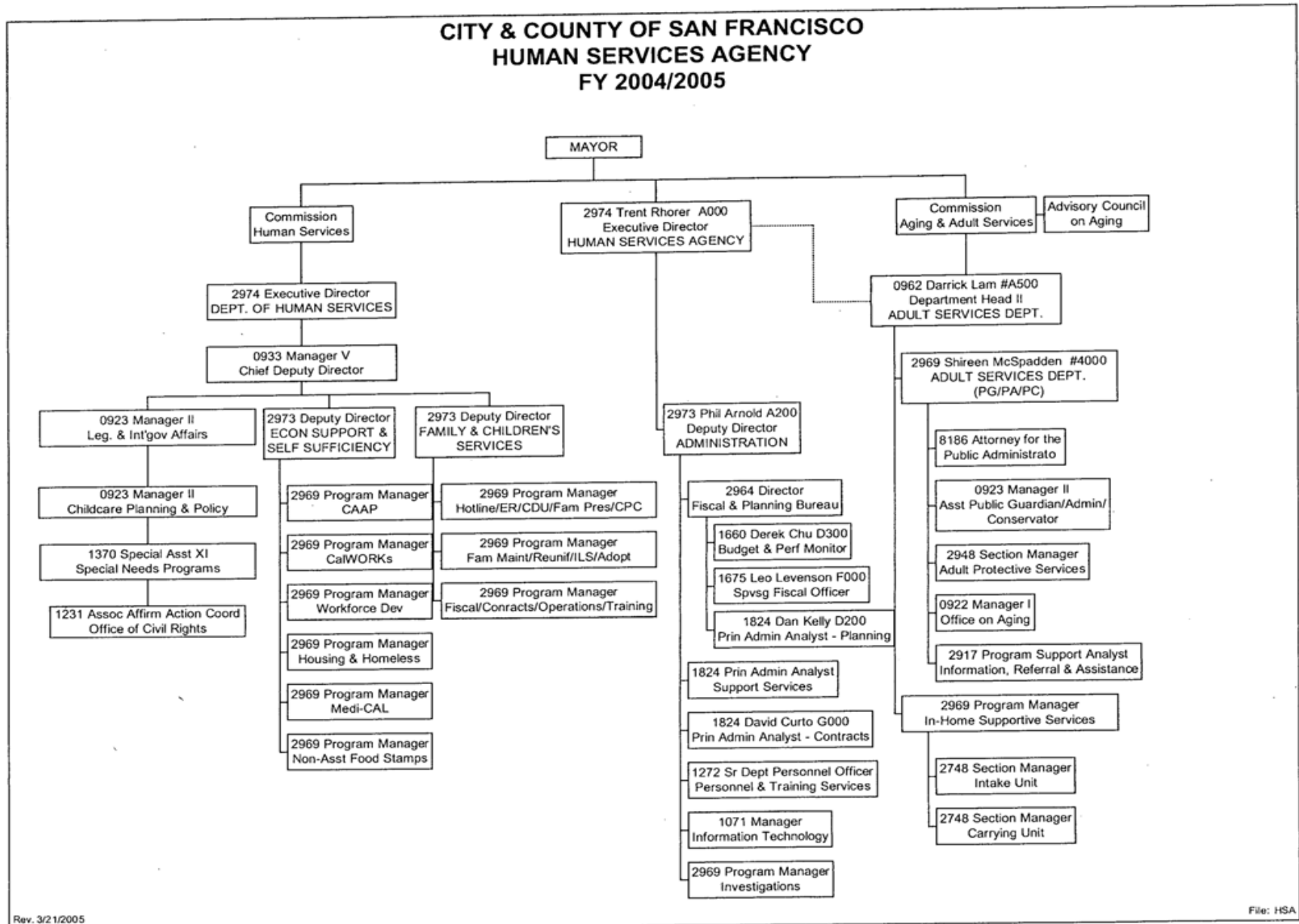
- The Department should first clearly define I, R & A services and consistently utilize one set of definitions for all DAAS funded I, R & A service providers.
- The Department should modify data collection procedures in order to gather I, R & A service data for DAAS funded contractors in enough detail to provide for analysis and comparisons among the I, R & A service providers.
- The Department's internal I, R & A unit and the NRCs should track and aggregate data regarding the type of information supplied to consumers, the outcome of follow-up activities, and the source of all incoming referrals. Simple referrals made among the providers should not be counted twice.

- Service numbers for the three separate I, R & A service providers should be combined and analyzed to determine the scope of the Department's I, R & A efforts.

APPENDIX A

Category	Dollar Amount Allocated FY 04-05	% of Funds
Adult Day Health/Adult Day Care	\$291,209	1.72%
Alzheimer's Day Care Resource Center (ADCRC)	\$293,470	1.73%
Brown Bag	\$50,000	0.29%
Care Management	\$833,052	4.91%
Community Services	\$2,534,124	14.94%
Congregate	\$4,292,767	25.31%
District Wide Social Service Wkr (DWSSW)	\$417,168	2.46%
Elder Abuse Prevention	\$45,581	0.27%
Family Caregiver Support Program	\$389,752	2.30%
HDM Clearinghouse	\$75,000	0.44%
Health Insurance Counseling and Advocacy Program (HICAP)	\$182,904	1.08%
Health Screening	\$54,400	0.32%
Home-Delivered Meals (HDM)	\$3,484,375	20.55%
Housing: Advocacy	\$95,000	0.56%
Housing: Emergency Assistance	\$40,000	0.24%
IHSS Advocacy	\$45,000	0.27%
IHSS Chore	\$41,600	0.25%
IHSS Homemaker	\$106,800	0.63%
IHSS Personal	\$130,600	0.77%
Legal Services	\$690,000	4.07%
Linkages	\$239,249	1.41%
Medication Management	\$18,741	0.11%
Naturalization	\$310,000	1.83%
Ombudsman	\$247,862	1.46%
Neighborhood Resource Centers for Seniors and Adults with Disabilities (NRCs)	\$1,215,000	7.16%
Linkages Service	\$9,449	0.06%
Senior Companion	\$24,585	0.14%
Senior Empowerment	\$108,855	0.64%
Transportation	\$691,215	4.08%
Total	\$16,957,758	100.00%

APPENDIX B



APPENDIX C

Assessment Type	Applicable Program(s)	Status	Source of Mandate
ADCRC Physical Plant Evaluation Checklist	ADCRC programs (used for new site only)	Mandatory	State
ADCRC Self Assessment Tool	ADCRC programs	Mandatory	State
Annual Baseline Assessment	All agencies/programs (except programs that have designated assessment tools)	Mandatory	State
Annual Nutrition Baseline Assessment	All Congregate and Home-Delivered Meals programs	Mandatory	State
Annual Nutrition Closeout Summary	All Congregate and Home-Delivered Meals programs	Mandatory	State
Brown Bag Program CDA 5	Brown Bag/Food Bag	Mandatory	State
Caterer's Assessment	Congregate and Home-Delivered Meals that have caterers	Non-Mandatory	Local
Customer Satisfaction Survey	All agencies (composite summary)	Mandatory	Local
Elderly Nutrition Program Desk Review Tool	All Congregate and Home-Delivered Meals programs	Non-Mandatory	State
Family Caregiver Support Programs (FCSP)	FCSP	Mandatory	State
FCSP Monthly Expenditure Report/OOA Supplemental 100 Report	FCSP	Mandatory	State
Financial Closeout Report for Supportive Services	All agencies with non-nutrition program contracts	Mandatory	State
Financial Report and Requests for Funds (OOA 100 Report)	All agencies except 2 workorder agencies	Mandatory	State
Food Services Cost Control Report	All Congregate and Home-Delivered Meals programs	Mandatory	Local
HICAP Aggregate Counseling Activity Report	HICAP	Mandatory	State
HICAP Aggregate Public and Media Activity Report	HICAP	Mandatory	State
HICAP Annual Resource Report	HICAP	Mandatory	State
HICAP Legal Performance Report	HICAP	Mandatory	State
Legal Services Monthly Units of Service Reports	Legal Services	Mandatory	State
Linkages Client Activity Report	Linkages Program	Mandatory	State
Linkages Self-Assessment	Linkages program	Mandatory	State
Ombudsman Initiative Monthly Expenditure Report and Request for Funds	Ombudsman	Mandatory	State
Ombudsman Volunteer Recruitment Initiative Monthly Expenditure Report	Ombudsman	Mandatory	State
Respite Program Monthly Service Summary	Linkages Purchase of Service	Mandatory	State
Senior Nutrition Program Checklist for Congregate Meal Visits	Congregate Meals	Non-Mandatory	Local
Senior Nutrition Program Site Assessment	All Congregate and Home-Delivered Meals programs	Non-Mandatory	Local
SF GetCare Variance Reports	All programs	Mandatory	Federal
Site Visit Report	All agencies	Non-Mandatory	Local
Supportive Services, Congregate Nutrition, Home Delivered Meals MIS Reports	All programs	Mandatory	State

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
Rule: <i>“Applicants receiving a score of 70 or less will not be considered for funding”.</i>	Department’s initial funding recommendation was to fund 8 bids that scored under 70 points.	<u>Community Services (Comm Svc)</u> 1. Korean Center Inc, 2. John King Senior Center 3. Western Addition Senior Ctr <u>Congregate Meals</u> 4. Jewish Community Center of SF 5. Western Addition Senior Ctr <u>Home-Delivered Meals (HDM)</u> 6. Jewish Family & Children's Svcs 7. Western Addition Senior Ctr <u>Legal Services</u> 8. La Raza Centro Legal
Rule: <i>“Applicants receiving a score of 70 or less will not be considered for funding”.</i>	Some of these bids above were recommended for funding over other bids that scored over 70 points.	<u>Community Services</u> Southwest Community Corp and West Bay Pilipino Multi-Service Center scored higher than 70 points but were not recommended for funding. <u>Legal Services</u> International Institute of SF scored higher than 70 points but was not recommended for funding.
Rule: <i>“Applicants receiving a score of 70 or less will not be considered for funding”.</i>	11 bids awarded funding that scored under 70 points ¹¹ .	1. Korean Center Inc, Community Services 2. John King Senior Center, Community Services 3. Western Addition Sr. Citizen's Svc Ctr., Community Svc 4. Jewish Community Center of SF, Congregate Meals 5. Laguna Honda Hospital, Congregate Meals 6. Western Addition Sr. Citizen's Svc Ctr., Congregate Meals

¹¹ As of the end of the Commission Appeals decisions, 6/11/03.

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
		7. Jewish Family & Children's Services, Home-delivered Meals 8. Western Addition Sr. Citizen's Svc Ctr., Home-delivered Meals 9. La Raza Centro Legal, Legal Services 10. Asian Law Caucus, Naturalization Services 11. Laguna Honda Hospital, ADCRC
Rule: <i>“Applicants receiving a score of 70 or less will not be considered for funding”.</i>	After all the funding award changes that occurred during the RFP process and add-back funding, 16 out of the 20 bids that scored under 70 were funded.	1. Veterans Equity Center, Care Management 2. Korean Center Inc, Comm Svc 3. John King Senior Center, Comm Svc 4. Western Addition Senior Ctr., Comm Svc 5. Filipino American Council, Comm Svc 6. Jewish Community Center of SF, Congregate Meals 7. Laguna Honda Hospital, Congregate Meals 8. Western Addition Senior Citizens Service, Congregate Meals 9. Filipino American Council, Congregate Meals 10. Jewish Family & Children's Services, HDM 11. Western Addition Senior Ctr, HDM 12. Filipino American Council, HDM 13. La Raza Centro Legal, Legal Services 14. Asian Law Caucus, Naturalization Services 15. La Raza Centro Legal, Naturalization Services 16. Laguna Honda Hospital, ADCRC
Rule: <i>“Applicants receiving a score of 70 or less will not be considered for funding”.</i>	The Department gave some justifications for funding the 16 bids out of 20 that scored under 70 points during the RFP and add-back meetings. The justifications were based upon factors other than the evaluation criteria contained in the RFP and were incomplete, inconsistent and not applied equally. Some of the bidders were restored to their FY 02-03 levels and some were prorated. Others were funded over bidders that scored over 70 points. A few bidders received a higher percentage of	1. Regarding Community Services, staff used a percentage reduction, regardless of rating, in the original allocation so agencies in this category scoring over 70 points were fully restored to FY 2002-03 levels and agencies below 70 were prorated. The four agencies that scored under 70 points received 91.00%, 69.84%, 59.84%, 52.54%, respectively, of their FY 02-03 funding. However, West Bay Pilipino Multi-Service Center scored over 70 points and did not get funded. They received funding only after Filipino American Council was de-funded in January 2004. 2. Unlike Community Services, bidders that scored under 70 in the Congregate Meals category were fully restored to FY 2002-03 levels with the

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
	<p>their FY 02-03 funding compared to bidders that scored higher. One of the bidders that scored under 70 points received funding in order to retain staff.</p>	<p>exception of Filipino American Council that received 84% of the funding it received in FY 02-03.</p> <p>3. For the home-delivered meals programs, all three bidders that scored under 70 points were fully restored to FY 2002-03 levels.</p> <p>4. For Naturalization Services, the two bidders that scored under 70 points, Asian Law Caucus (ranked 9th) and La Raza Centro Legal (ranked 10th) received funding. Even though Asian Law Caucus scored 14 points higher than La Raza, Asian Law Caucus only received 65% of the funding it received in FY 02-03 while La Raza received 72%. Another bidder, Chinese Newcomer, scored above 70 points and ranked 8th, but was awarded no funding. The reason given for awarding funding to La Raza was that they were an important part of the Naturalization network.</p> <p>5. For Care Management, Veteran's Equity Center scored under 70 points but received \$50,000 to retain their care manager. However, Centro Latino de San Francisco scored over 70 points did not receive funding.</p> <p>6. For Legal Services, La Raza Centro Legal scored under 70 points but received 85% of its FY 02-03 funding. However, International Institute of SF scored above 70 points (14 points above La Raza) and received no funding. No justification was provided in the RFP or add-back meetings.</p>
<p>Funding Guideline #1.</p> <p><i>Proposals scoring under 70 points should not be funded.</i></p>	<p>The Department did not communicate its funding guidelines and when it did, the guidelines contradicted what was initially told to contractors.</p>	<p>See Above.</p>

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
Funding Guideline #2. <i>Bids should not be funded for more dollars than requested.</i>	The final awards of the July 2, 2003 add-back meeting includes 18 separate occasions where funding exceeds the bidder's request.	<ol style="list-style-type: none"> 1. Project Open Hand, Community Services 2. International Institute of San Francisco Community Services 3. Meals on Wheels of San Francisco, Congregate Meals 4. Project Open Hand, Congregate Meals 5. Western Addition Senior Citizens Service, Congregate Meals 6. Institute on Aging, Elder Abuse Prevention 7. San Francisco Food Bank, Food Bag 8. Centro Latino de San Francisco, HDM 9. Filipino American Council, HDM 10. Meals on Wheels of San Francisco, HDM Clearinghouse 11. Self-Help for the Elderly, IHSS Personal Care 12. Catholic Charities, IHSS Personal Care 13. Self-Help for the Elderly, IHSS Homemaker 14. Self-Help for the Elderly, IHSS Chore 15. Family Service Agency, Ombudsman 16. Planning For Elders in the Central City, Senior Empowerment 17. Senior Action Network, HICAP 18. Institute on Aging, Linkages, Respite Purchase of Service
Funding Guideline #2. <i>Bids should not be funded for more dollars than requested.</i>	The justifications for awarding more funding than requested are not based on RFP scores or rankings but rather on separate deliberations made by the Department and Commission that were not thoroughly analyzed for accuracy and were often inconsistent.	<ol style="list-style-type: none"> 1. For Community Services, Project Open Hand and International Institute of San Francisco received more funding than requested. None of the 19 bidders that scored and ranked higher than these two bidders received more than they requested. Most of these 19 bidders received less than they requested. 2. For Congregate Meals, Project Open Hand received \$66,188 more than it requested. The Department, however, stated that Project Open Hand was given <i>less</i> funding than in FY 02-03 because a proposed site at Family Service Agency Day Treatment Program did not materialize and the Joseph Lee Center was to be closed. However, even though they received less than the previous year, the amount they were awarded was 99% of their FY 02-03 funding. In the same category, Self-Help for the Elderly ranked higher than Project Open Hand, yet received less than the amount it requested. The Department's justification was that Self-Help for the Elderly was in fact given

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
		<p><i>increased</i> funding, compared to FY 02-03, to expand services into Visitacion Valley. Even though Self-Help for the Elderly was expected to expand services, it was awarded \$40,000 less than it requested, while Project Open Hand was awarded more than requested even though it was providing less services as described above.</p> <p>3. A third example shows that for Home-Delivered Meals (HDM), Filipino American Council was awarded \$7,100 more than requested, even though it was the lowest ranking bidder out of all bidders. With the exception of Centro Latino de San Francisco, all of the other bidders for HDM received less than they requested.</p>
<p>Funding Guideline #3.</p> <p><i>Services should be available in underserved geographical areas.</i></p>	<p>The RFP scoring process did not include any mention or specific evaluation of underserved geographical areas. The location of the contractor and the geographical need for service were not a part of the scoring process. In addition, the underserved geographical areas were not identified in the RFP packet. Since underserved geographical areas were not included in the RFP packet given to bidders and were not part of the scoring process, it is difficult to surmise if in fact this recommendation guideline was met.</p>	<p>The only program that mentions specific geographical areas in the RFP packet given to bidders was the Food Bag program. However, the areas mentioned (Bayview Hunters Point, Visitacion Valley, OMI, Western Addition, Inner Mission, Tenderloin, Chinatown, North & South of Market, and Sunset) cover a large portion of the City and are not specific enough to be referred to as underserved geographical areas. Besides being the only program that makes any reference to geographical areas, this program alone was less than 0.25% of the total RFP amount in FY 03-04.</p>

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Rule, Funding Guideline or Expectation	Exceptions Noted	Details															
Funding Guideline #4. <i>Services should be assured for targeted populations.</i>	<p>The fourth recommendation guideline was not followed because the Department's funding recommendations and the Commission's final decisions diverted from the capacity of bidders to serve targeted populations as indicated in the RFP score. This created a situation where a bidder was selected for allegedly targeting a particular community when another bidder's RFP score is more indicative of its capacity to serve the targeted populations.</p>	<p>The Commission never approved funding during the RFP process for Filipino American Council for its Community Services, Home Delivered Meals, and Congregate Meal bids. Even though the contractor scored very low on these bids, including its effectiveness in serving the target populations, the Commission decided to fund the contractor \$20,000 for Community Services, \$68,514 for Congregate Meals, and \$20,559 for HDM during the add-back process. This funding decision is contrary to many of the available facts regarding the contractor's capacity from the RFP process. First, the RFP evaluators scored the contractor low on its capacity to serve targeted groups and one evaluator even noted that for HDM, there were other meal providers who could serve the same clients that the contractor was serving. Secondly, the Department recognized that another contractor could serve the targeted population for Congregate Meals. Third, Filipino American Council was never formally awarded funding as a result of a competitive RFP process. They received funding during the add-back process even though they were never recommended or approved for funding. Months after the add-back allocations resulted in funding for Filipino American Council, the contractor was put on probation for failing to meet its obligations and subsequently defunded.</p>															
Funding Guideline #5. <i>Awards should approximate current service.</i>	<p>The add-back funding was primarily used to fund contractors not selected during the RFP process that had existing contracts the previous year (FY 02-03).</p>	<table> <tr> <th><u>Not Selected in RFP</u></th><th><u>Existing Contractor</u></th><th><u>Received Funding</u></th></tr> <tr> <td>1. Centro Latino de San Francisco, Care Mgmt</td><td>Yes</td><td>No</td></tr> <tr> <td>2. Veterans Equity Center, Care Mgmt</td><td>Yes</td><td>Yes</td></tr> <tr> <td>3. West Bay Pilipino Multi-Service Center, Care Mgmt</td><td>No</td><td>No</td></tr> <tr> <td>4. West Bay Pilipino Multi-Service Center, Comm Serv</td><td>No</td><td>No</td></tr> </table>	<u>Not Selected in RFP</u>	<u>Existing Contractor</u>	<u>Received Funding</u>	1. Centro Latino de San Francisco, Care Mgmt	Yes	No	2. Veterans Equity Center, Care Mgmt	Yes	Yes	3. West Bay Pilipino Multi-Service Center, Care Mgmt	No	No	4. West Bay Pilipino Multi-Service Center, Comm Serv	No	No
<u>Not Selected in RFP</u>	<u>Existing Contractor</u>	<u>Received Funding</u>															
1. Centro Latino de San Francisco, Care Mgmt	Yes	No															
2. Veterans Equity Center, Care Mgmt	Yes	Yes															
3. West Bay Pilipino Multi-Service Center, Care Mgmt	No	No															
4. West Bay Pilipino Multi-Service Center, Comm Serv	No	No															

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Rule, Funding Guideline or Expectation	Exceptions Noted	Details		
		<u>Not Selected in RFP</u>	<u>Existing Contractor</u>	<u>Received Funding</u>
		5. Filipino American Council, Comm Serv	Yes	Yes
		6. Filipino American Council, Congregate Meals	Yes	Yes
		7. Russian American Comm Srvc, DWSSW	No	No
		8. Filipino American Council, Food Bag	No	No
		9. Filipino American Council, Health Screening	No	No
		10. Filipino American Council, HDM	Yes	Yes
		11. Filipino American Council, Housing Advocacy/Counseling	No	No
		12. International Institute of SF, Legal Services	No	No
		13. Chinese Newcomer, Naturalization Services	No	No
		14. La Raza Centro Legal, Naturalization Services	Yes	Yes

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details												
		<table> <tr> <th><u>Not Selected in RFP</u></th><th><u>Existing Contractor</u></th><th><u>Received Funding</u></th></tr> <tr> <td>15. Jewish Family & Children's Srvs, Senior Empowerment</td><td>No</td><td>No</td></tr> <tr> <td>16. Senior Action Network, HICAP¹²</td><td>No</td><td>Yes</td></tr> <tr> <td>17. Legal Assistance to the Elderly, HICAP</td><td>Yes</td><td>Yes</td></tr> </table>	<u>Not Selected in RFP</u>	<u>Existing Contractor</u>	<u>Received Funding</u>	15. Jewish Family & Children's Srvs, Senior Empowerment	No	No	16. Senior Action Network, HICAP ¹²	No	Yes	17. Legal Assistance to the Elderly, HICAP	Yes	Yes
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16. Senior Action Network, HICAP ¹²	No	Yes												
17. Legal Assistance to the Elderly, HICAP	Yes	Yes												
Funding Guideline #5. <i>Awards should approximate current service.</i>	The Department used the add-back funds to fund existing contractors, even if in several cases, that meant not funding bidders that scored and ranked higher as a result of the RFP process.	<p>1. West Bay Pilipino Multi Service Center was not funded for Community services as a result of the add-back process. They were not an existing contractor. However, the five existing contractors that scored lower than West Bay were all funded.</p> <p>2. Another example is the Care Management category where the only bidder for Care Management not previously funded in FY 02-03 was West Bay Pilipino Multi-Service Center. They did not receive any funding for FY 03-04, even though they scored higher than Veterans Equity Center.</p> <p>3. For Naturalization Services, the only bidder not funded by the end of the add-back process was Chinese Newcomer, even though they scored and ranked higher than two other bidders. Again here, Chinese Newcomer was not an existing contractor in FY 02-03.</p>												
Expectation 1:	6 bids receiving funding in FY 03-04 were not approved for funding during RFP Process ¹³ .	<p>1. Veterans Equity Center, Care Management</p> <p>2. Filipino American Council, Community Services</p>												

¹² The Health Insurance Counseling and Advocacy Program (HICAP) was not included in the RFP award recommendations that were accepted by the Commission because staff initially recommended awarding funds to two agencies, and later learned from the CDA that Area Agencies on Aging can only contract with one agency. The contractor can then subcontract with another agency. Because Senior Action Network's (SAN) RFP application received the higher rating, staff recommended that \$180,430 be awarded to SAN. Of that amount, SAN retained \$90,215 for outreach and education and subcontracted with Legal Assistance to the Elderly (LAE) for legal and counseling services in the amount of \$90,215.

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
<i>Bids receiving funding should be the result of a competitive RFP process and Commission awards.</i>		3. Filipino American Council, Congregate meals 4. Filipino American Council, Home-delivered meals 5. La Raza Centro Legal, Naturalization Services 6. Senior Action Network, HICAP ¹⁴
Expectation 2: <i>Bids that score higher should be awarded funding over bids that score lower.</i>	3 bids not awarded funding even though they scored & ranked higher than other bids that received funding ¹⁵ .	1. West Bay Pilipino Multi-Service Center, Community Services. Ranked 25 th yet not awarded funding. Four bidders that scored/ranked lower were awarded funding. 2. International Institute of SF, Legal Services. Ranked fourth yet not awarded funding. One bidder scored/ranked lower was awarded funding. 3. Chinese Newcomer, Naturalization Services. Ranked eight yet not awarded funding. One bidder scored/ranked lower was awarded funding.
Expectation 2: <i>Bids that score higher should be awarded funding over bids that score lower.</i>	4 bids that did not ultimately receive funding even though they scored & ranked higher than other bidders that received funding ¹⁶ .	1. Centro Latino de San Francisco, Care Management. Ranked 12 th yet not awarded funding. One bidder that scored/ranked lower was awarded funding. 2. West Bay Pilipino Multi-Service Center, Community Services. Ranked 25 th yet not awarded funding. Five bidders that scored/ranked lower were awarded funding. 3. International Institute of SF, Legal Services. Ranked fourth yet not awarded funding. One bidder scored/ranked lower was awarded funding. 4. Chinese Newcomer, Naturalization Services. Ranked eight yet not awarded funding. Two bidders scored/ranked lower was awarded funding.
NA	19 funding changes occurred from 5/21/03 to	1. Jewish Family and Children Services, Community Services

¹³ As of the end of the Commission Appeals decisions, 6/11/03.

¹⁴ The Health Insurance Counseling and Advocacy Program (HICAP) was not included in the RFP award recommendations that were accepted by the Commission because staff initially recommended awarding funds to two agencies, and later learned from the CDA that Area Agencies on Aging can only contract with one agency. The contractor can then subcontract with another agency. Because Senior Action Network's (SAN) RFP application received the higher rating, staff recommended that \$180,430 be awarded to SAN. Of that amount, SAN retained \$90,215 for outreach and education and subcontracted with Legal Assistance to the Elderly (LAE) for legal and counseling services in the amount of \$90,215.

¹⁵ As of the end of the Commission Appeals decisions, 6/11/03.

¹⁶ As of the end of the July 2, 2003 COA Add-Back Meeting.

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
	Commission Appeals Meeting, 6/11/03.	2. Southwest Community Corp., Community Services 3. Western Addition Senior Citizen's Service Ctr., Community Services 4. Meals on Wheels of San Francisco, Congregate Meals 5. Project Open Hand, Congregate Meals 6. Kimochi, Inc, Congregate Meals 7. Russian American Community Services, Congregate Meals 8. Korean Center, Inc., Congregate Meals 9. Jewish Community Center of SF, Congregate Meals 10. Laguna Honda Hospital, Congregate Meals 11. Western Addition Senior Citizens Service, Congregate Meals 12. Self-Help for the Elderly, IHSS Personal Care 13. Asian Pacific Islander Legal Outreach, Legal Services 14. Asian Law Caucus, Legal Services 15. Asian Pacific Islander Legal Outreach, Naturalization Services 16. Vietnamese Mutual Assistance Assoc, Naturalization Services 17. Asian Law Caucus, Naturalization Services 18. Senior Action Network, HICAP 19. Legal Assistance to the Elderly, HICAP
NA	The final funding results are not entirely consistent with the RFP scores and reflect the feedback provided and advocacy efforts during these several levels of review. A close examination of these 8 bids for Community Services not awarded increased funding as a result of the add-back meetings suggest that the number of times advocates spoke on behalf of a contractor influenced the add-back decisions. In addition, the bids that received increased funding for Legal Services and District Wide Social Services Worker also suggest that the number of times advocates spoke on behalf of a contractor influenced the add-back decisions.	<u>Community Services</u> 1. One of the bids not awarded increased funding was Korean Center. Korean Center had no advocates during any of the add-back meetings. 2. A second bidder, Rose Resnick Lighthouse for the Blind, also had no advocates speak on its behalf during the add-back meetings. The bidder did not receive any increased funding even though it ranked 14 th and requested \$46,253 more than they received. Ten bidders that scored below Rose Resnick Lighthouse for the Blind received increased funding. 3. A third bidder not awarded increased funding for Community Services, Jewish Family and Children Services, had no advocates speak on its behalf in any of the add-back meetings. The bidder did not receive any increased funding even though it ranked 10 th and requested \$44,050 more than they received. Thirteen bidders that scored below Jewish Family and Children Services received increased funding. 4. The only bidder not awarded any funding for Community Services, West

APPENDIX D

Rule, Funding Guideline or Expectation	Exceptions Noted	Details
		<p>Bay Pilipino Multi Service Center, had no advocates speak on its behalf during any of the add-back meetings. West Bay Pilipino did not receive any funding although they ranked 25th out of 30 and scored over 70 points. Note that all of the bidders that scored and ranked lower than West Bay Pilipino (5 of them) were awarded funding and three had their awards increased during the add-back. Also, two of the bidders that scored under West Bay that were awarded increased funding scored under 70 points.</p> <p><u>Legal Services</u> Moreover, out of the 4 bids that received funding for Legal Services, the only one that received increased funding during the add-back meetings was Legal Assistance to the Elderly (LAE). LAE had three advocates speak on its behalf during add-back meetings. Two of the other three bidders (Asian Pacific Islander Legal Outreach and La Raza Centro Legal) only had one advocate speak on their behalf during the add-back meetings. The other bidder (Asian Law Caucus) had no advocates speak on its behalf during the add-back process.</p> <p><u>District Wide Social Services Worker (DWSSW)</u> In addition, out of the 10 bids that were awarded funding for DWSSW, only one did not receive increased funding during subsequent add-back meetings. That bidder, Episcopal Community Services, only had one advocate speak at one of the add-back meetings. Out of the other 9 bids that received increased funds during the add-back process, the bidder that received the lowest dollar amount increase, Network for Elders had no advocates at any of the RFP meetings speak on its behalf.</p>

APPENDIX E

Type of Aggregate Information	NRCs	Internal Unit	Contractors providing I, R & A related services
Contact Types	Aggregate the percentages of telephone, walk-in, and other types of contacts.	Does not aggregate types of contacts even though the intake form tracks this information.	Do not track or aggregate this information.
Person Making request	Aggregate the percentages of requests made by consumers, family members/caregivers, and other.	Aggregates the numbers of callers that are seniors, agencies, caregivers, and other.	Do not track or aggregate this information.
Age of person making request	Aggregate the percentages of request made by age category.	Does not aggregate this information even though the intake form tracks this information.	Do not track or aggregate this information.
Type of service need and area of request	Do not aggregate this information even though the intake form tracks this information.	Does not aggregate this information even though the intake form tracks this information.	Do not track or aggregate this information.
Outcome of follow-up efforts	Do not aggregate this information even though the intake form tracks this information.	Does not aggregate this information even though the intake form tracks this information.	Do not track or aggregate this information.
Number of information & referral, assistance, and follow-up contacts	Aggregates the numbers of information and referral, assistance, and follow-up contacts.	Aggregates the total number of callers, follow-up calls made, outreach numbers, and assistance numbers.	Do not track or aggregate this information.
Number of information & referral, assistance, and follow-up items (An item is each specific request the consumer makes)	Aggregates the numbers of information and referral, assistance, and follow-up items.	Does not track or aggregate this information.	Do not track or aggregate this information.
Total contacts	Aggregates total contacts. (Sum of information & referral, assistance, and follow-up contacts)	Aggregates total callers. (Sum of all calls from seniors, agencies, caregivers, and others)	Do not track or aggregate this information.

**RESPONSE TO THE AUDIT
DEPARTMENT OF AGING AND ADULT SERVICES**

City and County of San Francisco



Gavin Newsom, Mayor

Human Services Agency

Department of Human Services
Department of Aging and Adult Services

Trent Rhorer, Executive Director

April 29, 2005

Ed Harrington, Controller
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, #316
San Francisco, CA 94102

Dear Mr. Harrington:

Thank you for the opportunity to respond to your performance audit of the Department of Aging and Adult Services (DAAS), Audit Number 04001 P. We believe that several of the findings are reasonable and that implementation of your recommendations that pertain to those findings will improve the delivery of services to seniors and adults with disabilities in San Francisco. Specifically, we are generally in agreement with the findings in Chapters 2 and 3 of the report. These chapters deal with contract monitoring and performance issues (Chapter 2) and the RFP process (Chapter 3). Our specific responses to these two chapters are detailed in the following sections of this response.

Chapter 2. This chapter deals with contract monitoring procedures and service reporting. The audit recommends that monitoring procedures be strengthened and that information reporting be improved. The department has already initiated work to replace the current information system (SF GetCare) as recommended by the audit. In addition, based on the audit findings, the following steps will be taken:

- The vacant position of OOA Manager will be filled.
- A written policies and procedures manual for contract monitoring, including fiscal monitoring, will be developed. It should be noted, however, that there is an existing policy on which providers can perform self-assessments based on timely submission of required units of services and/or fiscal reports, no change in leadership in the previous year and few corrective actions required in the previous baseline assessment.
- Qualitative assessment tools will be developed to supplement existing program monitoring standards.
- Program staff will be trained in contract monitoring procedures and assessment tools.
- Program staff responsibility for contract monitoring will be rotated on a regular basis.
- Fiscal monitoring forms and site visit forms will be maintained in contract files.

Chapter 3. This chapter deals with the RFP and contract award procedures followed by the Department in its most recent selection of service providers. The audit recommends that consistent and objective criteria be established to guide the selection of service providers and that these criteria be followed in making contract awards. Based on the audit findings, the following steps will be taken:

- Consistent and objective criteria will be developed to guide the selection of service providers and the award of contracts.

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- Selection criteria will be clearly stated in RFP packets.
- Selection criteria will be followed by staff when making award recommendations. However, it is important to point out our basic philosophy of providing a network of accessible neighborhood services that reflect the diversity of San Francisco.

Although we believe that the implementation of the above recommendations will strengthen the provision of services to seniors and adults with disabilities in San Francisco, we are concerned about the limited scope of the audit. DAAS has undergone tremendous changes over the past year. Administrative staff was reduced significantly in the FY04-05 budget and the merger of DAAS into the Human Services Agency resulted in a complete reorganization of the support services for the Department. At the entrance conference with your staff, we specifically requested your assessment of the following areas:

- The adequacy of administrative staff.
- The adequacy of accounting and fiscal staff given that all of the DAAS finance and accounting staff was eliminated before the merger of the Department into the Human Services Agency.
- The appropriateness of classifications used by DAAS for various administrative functions including contract monitoring, court accounting and planning.

Unfortunately, the audit does not address any of these important areas of concern.

Further, the audit does not address the changes that have been undertaken since the merger of DAAS into the Human Services Agency. Chapter 1 addresses planning and needs assessment issues and recommends a number of changes in the development of the Area Plan that is used to guide funding decisions and the allocation of OOA resources based on that plan. However, in reaching its conclusions and recommendations, the audit focuses on the Area Plan developed in 2001 and does not acknowledge the planning effort that has been under way since last fall to update the Area Plan as a guide for the next four years. The new Area Plan addresses many of the recommendations in the audit.

The audit emphasizes that nutrition, the main service funded through the Area Plan, was not one of the top three needs cited in the 2001 assessment. However, nutrition was a top need identified in the 2002 OOA assessment that shaped the current cycle of grants. The audit states that housing, transportation and in-home support services were the top three priorities. However, home and community based services, not in-home support services, was one of the top three priorities and nutrition is included in home and community based services.

Additionally, the audit recommends an unrealistic process for planning. The audit recommends a mechanistic process in which the universe of needs is identified and ranked, and funding is split in a proportional way based on the assessment results. The audit emphasizes that housing was the highest need cited in the 2001 assessment, yet none of the Office on the Aging (OOA) funding was directed at this issue. First, the type of gap analysis recommended by the audit is typically performed when new funding is available and communities want to compare needs to existing services and plug the new funds into gaps in services. Almost 15,000 vulnerable seniors depend on the OOA services currently being funded. The 2005 gap analysis was conducted within the context of a base of existing services that are in demonstrable demand and that are too fundamental to the needs of low-income seniors to be changed drastically. Secondly, a

mechanistic gap analysis would overlook hidden populations like isolated and low-income persons who are not likely to participate in surveys, town halls, or focus groups. Finally, the entire OOA budget could not begin to make a dent in the issue of housing in San Francisco, which is why it is necessary to go through a public hearing process, as is required by the California Department on Aging, to develop consensus about where OOA funds can make a difference.

A similar problem of not addressing current developments can be seen in **Chapter 4** of the audit which deals with Information, Referral and Assistance services. The audit is critical of the Department for not having adequate information about the results and outcomes of its information, referral and assistance services. The audit does not report that the Department is currently developing and implementing an electronic caller intake tracking system that will standardize all IR&A tracking for DAAS. This system will track the following types of information:

- Date
- Worker number
- Source of contact (in-person, telephone, outreach, e-mail)
- Type of contact (senior, caregiver, neighbor, friends, community provider)
- Services requested
- Items of assistance
- Types of assistance
- Client name
- Clients address
- Client telephone number
- Client e-mail address
- Ethnicity
- Gender
- Sexual Orientation
- Age
- Income
- Disability
- Living situation
- Origin of referral
- Translation needs

This tracking system has been in development for five months with anticipated implementation in May 2005. Development of this electronic caller intake system has included input from the Office on the Aging and staff from the Resource Centers for Seniors and Adults with Disabilities to incorporate all reporting requirements and user needs. Once the system is working smoothly within DAAS the system will be extended to the ten Resource Centers for Seniors and Adults with Disabilities to standardize tracking and eliminate duplication.

Another concern we have with the audit is its failure to place services provided by the OOA in the context of services provided to seniors and adults with disabilities by the rest of DAAS and by the Department of Human Services. The audit criticizes the Department for providing limited funding, through OOA contracts, to housing, transportation and in-home support services. However, as acknowledged in the audit report, within the Human Services Agency the In-Home

Response to Controller's Audit Number 04001 P

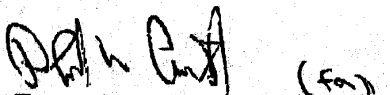
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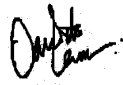
Support Services program provides approximately \$75 million in services to frail seniors and adults with disabilities, the Housing and Homeless program provides more than \$40 million in housing services, including services specifically targeted to seniors, and DAAS provides approximately \$700,000 annually to fund paratransit programs. All of these funds are provided outside of the OOA contracts which comprised the limited scope of this audit.

In conclusion, we believe that the audit contains many recommendations for contract monitoring and contract awarding that will, when implemented, improve the provision of services to Seniors and Adults with Disabilities in San Francisco. We also believe that the audit would have benefited from a review of many of the changes currently taking place in the areas of planning, administrative consolidation and the development of outcome measures. We also believe that an expanded scope for this audit would have provided a better context for the funding allocation process used for the provision of services through the OOA contracts.

Thank you again for the opportunity to respond to this audit.

Sincerely,


Trent Rhorer, Executive Director
Human Services Agency


Darrick Lam, Director
Department of Aging and Adult Services

cc: Mayor
Board of Supervisors
Civil Grand Jury
Public Library

