

1000	Area Agency on Aging Administrative Standards
<p>This chapter provides an outline of the Division of Aging and Adult Services policies and procedures for the Area Agency on Aging Administrative Standards, Reporting and Functions.</p>	

1300	Procurement	
1301	Overview	
	1301.1	<p>The Division of Aging and Adult Services (Division of Aging and Adult Services), its contractors and their subcontractors must use generally accepted and reasonable competitive procurement practices to ensure fair competition and compliance with Federal and State regulations.</p> <p>This chapter provides an outline of the Division of Aging and Adult Services operational principles and procedures to which Area Agencies on Aging shall comply in developing and maintaining their procurement policy and procedure. This chapter also outlines the suggested method of contracting for Non-Medical Home and Community Based Services. The policy and procedures developed by the Area Agencies on Aging must comply with standards to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal law and executive orders. This policy chapter is subject to change as additional information and/or regulations are received from the federal, state and Department of Economic Security authorities.</p> <p><i>Reference: Older Americans Act of 1965, as amended in 2000, P.L. 106-501, § 305; Title 45 C.F.R., Part 74.</i></p>

1300		Procurement	
1302	Operational Principles		
	1302.1	Each Area Agency on Aging shall develop and maintain procurement standards that ensure fair competition.	
	1302.2	Each Area Agency on Aging shall ensure that their subcontractors abide by the Area Agencies on Aging procurement procedures, or that the sub-contractors procurement standards ensure fair competition.	
	1302.3	The Area Agency on Aging should include an administrative procedure for handling complaints or protests regarding contractor selection in their procurement procedures.	
	1302.5	Two types of contracts are:	
		A	Rate – an agreement whereby a contractor is paid a specified amount for each unit of service or deliverable, not to exceed the maximum number of authorized units indicated in the contract for each service/deliverable.
	1302.6	B	Fixed price with price adjustment - an agreement whereby reimbursement to the contractor is in accordance with actual, allowable costs incurred consistent with each service budget not to exceed the service reimbursement ceiling in the contract.
		An Area Agency on Aging subcontracting for Non-Medical Home and Community Based Services should generally utilize a Rate contract.	
	1302.7	An Area Agency on Aging should not have to pay more for the provision of an Aging Program Non-Medical Home and Community Based Services than it would for the same service under a non-Aging program.	
	1302.8	Area Agencies on Aging should conduct quarterly, or at a minimum, semi-annual reviews of the rate structure for the service(s) being provided to ensure the following:	
A		Fair compensation to the service provider agency.	
1302.9	B	Maximum utilization of Aging program funds for the provision of Non-Medical Home and Community Based Services.	
	It is not the intent of this policy to penalize an Area Agency on Aging due to the existence of an overlapping contract cycle whereby an Area Agency on Aging or the subcontractor could incur unnecessary, inflated costs due to receiving a higher or lesser rate for the same service(s) from a non-Aging program.		

1300		Procurement	
1303	Operational Procedures for Procurement		
	1303.1	All contractors and subcontractors with the Division of Aging and Adult Services must use generally accepted and reasonable competitive procurement practices to ensure fair competition.	

1300		Procurement	
1304	Operational Procedures for Rate Contracts		
	1304.1	Rate Contracts should be utilized as the contracting vehicle for Non-Medical Home and Community Based Services when the Area Agencies on Aging or the agency providing service(s) does not contract for the same service(s) through the auspices of another governmental agency (City, County, State or Federal), or when an overlapping contract cycle for service(s) does not exist with the contract cycle for Aging programs.	

1300		Procurement	
1305	Operational Procedures for Fixed Price with Price Adjustment Contracts		
	1305.1	Fixed price with price adjustment contracts may be used as the contracting vehicle for Non-Medical Home and Community Based Services for the following:	
		A	The Area Agency on Aging, or the agency providing services, also contracts for the same service(s) through the auspices of another governmental entity (City, County, State or Federal).
B	Contracts with start-up service provider agencies, who have not yet acquired a history of providing service for at least two years, and therefore, may not yet have sufficient expertise in budgeting and forecasting unit costs of providing service(s) with which to accurately determine a rate for the duration of contract term of one year or less.		