

Professional Services Contract Process and Return on Investment Review**RFPs/BIDS FOR CONTRACTS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000) OR MORE**

The District shall, to the extent possible, prioritize the utilization the RFP/bid process through the Purchasing Department for contracts with a vendor of an aggregate annual amount of one hundred thousand dollars (\$100,000) or more.

1. Beginning with fiscal year 2024-25, after the end of each fiscal year, the Finance Division shall create a report of the aggregate amount of payments made to each vender to determine those vendors that received one hundred thousand dollars (\$100,000) or more in payments. This report shall be used to identify goods and services for which contracts shall be awarded the RFP/bid process, if at all possible.
2. Use of noncompetitive negotiations¹ shall be limited to those instances permitted under Administrative Procedure 04.32 AP.11 Contracts and Purchases Using Noncompetitive Negotiation.

PROFESSIONAL SERVICES CONTRACT DELIVERABLES

All professional services contracts, regardless of amount, shall include a clear, specific, and quantifiable description of the goods or services to be delivered in the successful performance of the contract. The Finance Division shall create a menu of deliverables from which a Cost Center Head/Principal may select, with an option for the Cost Center Head/Principal to provide a deliverable not on the menu, as appropriate.

The menu of deliverables for professional services shall include:

~~—The title and description of each service/session/training/event;~~

~~—Cost for each service/session/training/event;~~

1. Hours of direct service delivered by each service/session/training/event
2. Number of services/sessions/trainings/events;
3. Estimated number of:
 - a. Students to be served by each service/session/training/event; or
 - b. Staff to be served by each service/session/ training/event;
4. Total amount of the contract or total amount of the contract not to exceed, and
5. An additional deliverable appropriate to the professional services being provided, as needed.

PROFESSIONAL SERVICES CONTACT ADMINISTRATOR

All professional services contracts, regardless of amount, shall identify by name and title, a contract administrator. The contract administrator shall:

1. Ensure that the District complies with the terms of the contract;
2. Review the goods or services received to determine whether they meet all of the requirements set forth in the contract prior to approval for payment. Approval of payment shall be based on a comparison of the contract to an itemized receipt and a review of the actual goods received or services rendered.

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ITEMIZED RECEIPT REQUIRED FOR PAYMENT

A vendor shall submit an itemized receipt that provides dates of services/delivery and the deliverables specified in the contract, the actual deliverables provided, and the line item cost of each good or service. Prior to payment of an invoice, the deliverables included in the contract shall be used as implementation metrics to determine whether or the degree to which the terms of the contract were met.

REVIEW OF CONTRACT PERFORMANCE

The District shall establish a systematic, differentiated evaluation model ~~process~~ to review vendor performance in fulfilling selected contracts that shall:

1. Evaluate all contracts with a vendor with an aggregate annual amount of one hundred thousand dollars (\$100,000) or more; and
2. Determine whether, and the degree to which, the specific terms of the contract were fulfilled.

The differentiated evaluation review model shall have three tiers differentiated based on the level and depth of the evaluation of the investment:

1. The Strategic Investment Cycle Review shall provide the most in-depth analysis of the investment;
2. The Implementation Quality Review shall provide a medium level of analysis of the investment; and
3. The Service Delivery Review shall provide a basic contract compliance check of the investment.

STRATEGIC INVESTMENT REVIEW CYCLE

For recurring General Fund program investments of one hundred thousand (\$100,000) or more, the District shall utilize a strategic investment cycle review process with a three (3) year review cycle to evaluate whether the return on investment warrants renewal of the investment.

Priority for review shall be given to investments that:

1. Are multi-year and recurring;
2. Have a direct impact on students;
3. Address a high strategic priority of the District; and
4. Have a clear theory of change and strong/medium evaluability.

The Strategic Investment Cycle Review ~~process~~ shall be developed jointly by the Finance Division and the Accountability, Research, and Systems Improvement (ARSI) Division and shall include:

1. A review of the proposed investment to ensure alignment with District priorities;
2. An evaluability assessment to determine whether and the degree to which the program is evaluable;
- 4-3. The development of the program's logic model and identification of Key Performance Indicators (KPIs) and Return on Investment (ROI) metrics;

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STRATEGIC INVESTMENT REVIEW CYCLE (CONTINUED)

4. An annual progress update, required to maintain funding eligibility to include:
 - a. An update of KPI data by the project director/designated District liaison; and
 - b. An update of expenditure data by the ARSI Division and the Finance Division;
5. At the end of a three (3) year cycle, an ROI review by the ARSI Division summarizing KPI performance and ROI findings, including for programs directly serving students:
 - a. Cost per student completing the full service; and
 - b. Cost per student demonstrating improvement.

The Strategic Investment Cycle Review ~~ROI review~~ will be provided to District leaders and Board members to guide future funding decisions.

IMPLEMENTATION QUALITY REVIEW

For General Fund program investments of one hundred thousand (\$100,000) or more not undergoing the Strategic Investment Cycle Review, the District shall utilize an Implementation Quality Review. The Implementation Quality Review shall be utilized for investments that:

1. Are time-limited or one-year contracts;
2. Have indirect student impact (e.g. professional development, technology support, coaching, communications, etc.);
3. Address a medium strategic priority of the District; and
4. Provide capacity-building or operational services.

The Implementation Quality Review shall include:

1. The identification of Key Performance Indicators (i.e. contract deliverables);
2. Collect vendor reports implementation data through itemized invoices;
3. Output and basic outcome metrics, which may include, but are not limited to:
 - a. Number of participants;
 - b. Number of service/session/ training/event or units;
 - c. Completion of key deliverables; and
 - d. Cost per service/session/ training/event or unit.

The results of the review shall be recorded in the Strategic Investment Monitoring System (SIMS).

SERVICE DELIVERY REVIEW

For General Fund Investments not reviewed by the Strategic Investment Cycle Review or the Implementation Quality Review, the District shall utilize a Service Delivery Review to confirm the delivery of service and contract completion. The Service Delivery Review shall be utilized for investments that:

1. Are short-term or transactional;

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2. Are limited in scope and provide compliance-oriented service (e.g. legal services; audit services, security upgrades, etc.); and
3. Have minimal student impact.

The Service Delivery Review shall include:

1. Confirmation of the delivery of service and contract completion; and
2. Verification that itemized invoices match completed services.

PROCUREMENT PROCESS GUIDELINES

The Finance Division shall prepare and disseminate guidelines for use by the Cost Center Head/Principal and the contract administrator that provides detailed requirements, processes, and instructions to implement the provisions of this administrative procedure.

REFERENCES:

¹KRS 45A.345(14)

Related Policies and Administrative Procedure

02.4242, 04.32

04.32 AP.XX (Note: Awaiting assignment of AP number by KSBA) (~~Vacant~~)