

**STATE OF NEW JERSEY
DEPARTMENT OF CHILDREN AND FAMILIES**

DEPARTMENT POLICY: DCF.P1.02-2007

EFFECTIVE DATE: August 31, 2007

SUBJECT: Timely Execution, Renewal Conditions and Sanctions for Contracts

I. PURPOSE

The purpose of this policy is to apprise Department of Children and Families (the Department) personnel and Provider Agencies of the documents and conditions required for the timely execution of new and Renewal Third Party Contracts.

II. SCOPE

This policy applies to all Department Third Party Contracts.

III. DEFINITIONS

The following terms when used in this policy have the meaning(s) indicated:

Contract means one of the Department's social service or training Contracts with a Provider Agency. Terms and conditions of the Contract are included in the Standard Language Document, Annex(es), Appendices, attachments, Contract Modifications (including any approved assignments and subcontracts) and supporting documents. The Contract constitutes the entire binding agreement between the Department and the Provider Agency.

Renewal is the process of continuing the Contract into a new contract period.

IV. POLICY

A. Time Frames

For Department distribution and Provider Agency submission of Contract Renewal documents, the time frames are as follows:

1. Contract Renewal packages are to be sent out by the Departmental Component within five months of the Renewal date. and
2. Completed Contract packages are to be received by the Departmental Component at least one month prior to the Renewal date.

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B. Contract Renewal

The establishment of a Contract with the Department should not be construed as an obligation to renew the Contract beyond the negotiated contract period. Should the needs of the Department warrant the Renewal of an existing Contract, a Renewal packet will be sent to the provider within five months prior to the end of the Contract period. All required reports (attendance, service, financial, performance, etc.) must be current.

Where any required documents (see policy DCF.P1.01) are outstanding at the time of Renewal, it is at the discretion of the Departmental Component whether to:

1. Process the Contract on a conditional basis pending submission of the material and
 - a. Not withhold payments; or
 - b. Withhold all /or a portion of the provider's payments;
2. Process the Contract for an abbreviated and conditional length of time (e.g. at the end of three months "X" requirements must be met or the Contract will be terminated).
3. If there is material change in the terms and conditions of the Contract, signature by both parties must be obtained prior to the official date of the Contract.
4. Take other steps as stated in policy DCF.P9.05, Contract Default.

C. Payments for Pre-Award Costs

Payment is available for those expenses incurred on or after the date when the Contract is signed, except in the case of certain pre-award costs. These costs are allowable only to the extent that they would be allowable if incurred after the date of the Contract and only with the written approval of the appropriate Department administrator.

Commissioner