

STATE OF NEW JERSEY
DEPARTMENT OF HUMAN SERVICES

SUBJECT: Timely Execution, Renewal Conditions and Sanctions for Contracts

EFFECTIVE: This policy circular shall become effective on January 1, 2006 and shall then be implemented immediately.

PROMULGATED: August 11, 2005

SUPERSEDES: Policy Circular P1.02, promulgated July 1, 1988

RELATED POLICY: Circular P1.01, Documents and Conditions Required for Processing, Executing and Documenting a DHS Third Party Contract.

The purpose of this circular is to advise Department personnel and Provider Agencies of the documents and conditions required for the timely execution for new and renewal Third Party Contracts.

I. SCOPE

This policy circular applies to all DHS Third Party Contracts including both initial and renewal contracts.

II. POLICY

A. Time frames for DHS distribution and provider agency submission of contract documents:

Contract renewal packages are to be sent out by the Departmental Component at least **three months** prior to the renewal date.

Completed contract packages are to be received by the Departmental Component at least **one month** prior to the renewal date.

B. Contract Renewal. Unless a contracted provider agency or individual provider is otherwise notified in writing 60 days prior to the end date of the current contract term it can be assumed that the contract is to be renewed, subject to the terms and conditions negotiated with the Departmental Component.

All required reports (attendance, service, financial, performance, etc.) must be current.


Where any required documents (See Policy Circular P1.01) are outstanding at the time of the renewal, whether with Departmental Component approval or the documents are not yet due, it is at the discretion of the Departmental Component whether to:

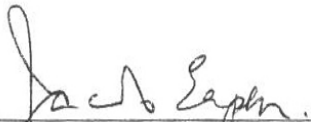
- 1) Process the contract on a conditional basis pending submission of the material and
 - a) Not withhold payments; or
 - b) Withhold a portion of the provider's payments;
- 2) Process the contract for an abbreviated term length (e.g. three months).
- 3) Process the contract but acknowledge in writing that failure to submit any outstanding documents may require the Departmental Component to withhold or cease payments until compliance. If there is material change in the terms and conditions of the contract, signatures by both parties must be obtained prior to the official date of the contract.
- 4) Take other steps as stated in Policy Circular 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.

Issued by:


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