



**Center for
Economic Opportunity**

NYC CEO Program Management Forum Managing for Innovation Course

Session 9 | Contract Management and Budgeting

June 7, 2013

Learning Objectives

- Manage program objectives in harmony with contractual obligations
- Translate programmatic objectives, priorities and analysis into accurate and clear budget proposals
- Review budget and spending patterns to provide management and oversight
- Identify opportunities to use financial resources more effectively to achieve program goals
- Finalize individual development plans in order to set goals to continue learning and the practice of management techniques

CONTRACT MANAGEMENT AND BUDGETING

Contract Management

The Contracting Landscape in New York City:

- **\$15 billion** spent on contracts for goods or services in FY11
- >1,000 Human Services contracts (in FY12)
- CEO currently has contracts with about 200 providers

Contract Management

What is the difference between a contract and a grant?

Contract Management

Contract:

- Acquisition of property or services
- Governed by Citywide procurement rules
- Relatively inflexible
- Scheduled payments may be based on deliverables or milestone

Contract Management

Grant:

- Carry out a public purpose
- Governed by terms of the grant agreement
- Relatively flexible
- Payment usually awarded by annual lump-sum

Contract Management

The Procurement Process:

- Issuance of a Request for Proposals (RFP)
- Information session
- Provider submit proposals with scope and budget
- Review committee evaluates proposals
- Contract(s) awarded
- Negotiation of Scope and Budget

- For information on NYC contracting rules, visit the website of the Procurement Policy Board:

<http://www.nyc.gov/html/mocs/ppb/html/rules/rules.shtml>

Using Your Financials to Manage Your Program

Reasons Why You Need to Know Your Program's Budget:

- Hiring staff
- Complying with the contract
- Identifying and troubleshooting challenges
- Maximizing Your Resources

Using Your Financials to Manage Your Program

Budgeting Best Practices:

- Review program spending on a monthly basis
- Review your budget and contract with relevant staff on at least a quarterly basis
- Cultivate a good relationship with your organization's finance team

Using Your Financials to Manage Your Program

What You Need to Know:

- Budget Narrative (most important part of the budget)
- PS vs. OTPS
- Fringe rates
- Indirect costs
- Spending Rates

Managing for Innovation Program: Wrap Up

