



# FLORIDA DEPARTMENT OF JUVENILE JUSTICE PROCEDURE

**Title:** Settlement of Non-Litigated Contract Disputes Procedures

**Related Policy:** FDJJ – 1410

## I. DEFINITIONS

**Settlement Agreement** - An agreement obligating the Department of Juvenile Justice (DJJ) to expend funds to discharge a financial obligation when the amount owed is under dispute and relates to a contract or purchase order, or as a result of another form of indebtedness. These procedures and related policy apply to settling non-litigated contract disputes.

These procedures and related policy do not apply to settlement agreements awarding back pay or relating to payroll issues, appeals of adverse personnel actions, and claims or lawsuits against DJJ that are managed, paid for and settled by the Bureau of State Liability Claims or the Bureau of Worker’s Compensation Claims within the Department of Financial Services (DFS), Division of Risk Management. See FDJJ - 1420.

## II. STANDARDS/PROCEDURES

### A. Development of a Settlement Agreement:

1. The Settlement Agreement (SA) package is created in the DJJ Contract Tracking System (CTS). Every DJJ office has an individual with CTS access. This individual shall create a new SA package in CTS, which requires the following information, at a minimum:
  - i. In the “Cause of Settlement” field, describe the reason/cause for the Settlement Agreement and a statement of what will be done differently to ensure the issue does not happen again;
  - ii. Enter dates of the Settlement Agreement period (when the service was first provided, and when the service was completed);
  - iii. In the “Cause of Settlement” field, include the date the program area needs the SA to be executed (a minimum of two (2) months is required for BPCA to complete the SA process, any time frame less than two (2) months requires prior approval from the BPCA Bureau Chief);
  - iv. Enter the SA total amount;
  - v. If the SA is linked to an existing contract, provide the contract number;
  - vi. If the SA is linked to an existing purchase order (PO), provide the PO number;
  - vii. Indicate if the provider is a current DJJ provider for these services, or if it is a non-DJJ provider;
  - viii. Select the provider information from the look-up tables;
  - ix. Enter the budget codes used to pay for the SA; and,
  - x. Upload required documents to accompany the SA package, such as: the provider’s itemized invoice; any correspondence with the provider describing the reason or cause for the Settlement Agreement; and other supporting documentation if applicable (i.e., timesheets, proof of provider’s expenditures, travel forms, etc.).

**FLORIDA DEPARTMENT OF JUVENILE JUSTICE**

**SUBJECT:** Settlement of Non-Litigated Contract Disputes Procedures

**SECTION:** FDJJ – 1410P

2. The individual will complete the appropriate tasks in CTS to ensure individuals with the appropriate authority within the requesting office have reviewed and approved the Settlement Agreement request.
3. Once all approvals are received from the requesting office, the requestor will submit the SA package to the Bureau of Procurement & Contract Administration (BPCA) for completion.
4. The BPCA will assign the package to a Contract Administrator for drafting of the Settlement Agreement document and the Best Interest Letter to DFS. These documents will be drafted in accordance with the DFS, Division of Accounting and Auditing, Bureau of Auditing’s “Guidelines for Settlement Agreements,” and the DFS “Reference Guide for State Expenditures.”
5. When the required documents are drafted and ready for review, the assigned Contract Administrator will upload them into CTS and generate the appropriate tasks in CTS for the required approvals. At a minimum, approvals are required from the following staff member or designee: the BPCA Chief, the Director of Program Accountability, the Contract Manager (if applicable), the Chief of Contract Management, the original requestor of the SA, the Bureau of Budget, the Bureau of Finance & Accounting, the General Counsel’s Office, and the Assistant Secretary (if applicable).
6. The assigned BPCA Contract Administrator will send the final approved Settlement Agreement document to the vendor/provider for review and signature.
7. Upon receipt from the vendor/provider, the BPCA shall print and submit the completed Settlement Agreement, Best Interest Letter to DFS, and supporting documentation to the Secretary or specified designee for signature.
8. Upon receipt of the signed Settlement Agreement, the BPCA Contract Administrator submits the original Settlement Agreement packet to the Bureau of Finance and Accounting for payment processing (an electronic copy is not acceptable). This packet shall include the Contract Review Form (CRF) and the name of the contact person within the initiating office.
9. The BPCA Contract Administrator shall provide a copy of the signed Settlement Agreement to the vendor/provider.
10. The BPCA shall input the SA into the Florida Accountability Contract Tracking System (FACTS).
11. The Bureau of Finance and Accounting shall input the Settlement Agreement into FLAIR for payment, indicating “SA” in the FLAIR Other Document field.
12. The Bureau of Finance and Accounting shall prepare the voucher schedule in accordance with Section 17.03, Florida Statutes, and Attachment 1 of this procedure, and submit the packet to the DFS for approval and payment.

**FLORIDA DEPARTMENT OF JUVENILE JUSTICE**

**SUBJECT:** Settlement of Non-Litigated Contract Disputes Procedures

**SECTION:** FDJJ – 1410P

13. The Bureau of Finance and Accounting shall communicate back to the BPCA requirements by DFS as to additional supporting documentation necessary to ensure processing of the Settlement Agreement. The BPCA may require additional information from the requesting program office or vendor/provider to respond to the request for additional supporting documentation.

**III. RESPONSIBILITY AND DUTIES**

**A. Responsible Office/Bureau/Program**

1. The Bureau of Procurement & Contract Administration is responsible for providing technical assistance to DJJ program and administrative offices on the procedures for settlement agreements, and for drafting, routing, and executing the resulting Settlement Agreement.
2. The Bureau of Finance and Accounting is responsible for communicating with the Department of Financial Services concerning the payment of the final, executed Settlement Agreement.

**B. Program Offices**

1. Shall initiate the Settlement Agreement package in CTS.
2. Shall ensure the Settlement Agreement package submitted in CTS contains, at a minimum, all information required for this type of package.
3. Shall obtain the electronic approval of the individual(s) within their program office who has the appropriate authority to approve the Settlement Agreement request.
4. Shall review and approve the draft of the Settlement Agreement and other required documents once they are prepared by the BPCA.
5. Shall assist the BPCA with any requests from the Bureau of Finance & Accounting for additional supporting documentation.

**C. Bureau of Procurement and Contract Administration**

1. Shall draft the Settlement Agreement and other required documents based on the information provided in the Settlement Agreement package in CTS.
2. Shall ensure the documents drafted comply with the DFS guidelines for Settlement Agreements (Attachments 1 & 2).
3. Shall route the draft of the required documents through CTS to obtain the necessary electronic approvals.
4. Shall send the final version of the Settlement Agreement to the vendor/provider for signature.

**FLORIDA DEPARTMENT OF JUVENILE JUSTICE**

**SUBJECT:** Settlement of Non-Litigated Contract Disputes Procedures

**SECTION:** FDJJ – 1410P

5. Shall follow the process for obtaining DJJ signatures to execute the Settlement Agreement that has been signed by the vendor/provider.
6. Shall submit the hardcopy of the executed Settlement Agreement and supporting documentation to the Bureau of Finance & Accounting for payment processing.
7. Shall provide a copy of the executed Settlement Agreement to the vendor/provider.
8. Shall input the Settlement Agreement into FACTS.
9. Shall work with the Bureau of Finance & Accounting, the requesting program office, and/or the vendor/provider to respond to DFS questions concerning the documentation submitted for payment.

**D. Office of General Counsel**

1. Shall review the draft Settlement Agreement in CTS and provide electronic approval.

**E. Office of Budget**

1. Shall review the draft Settlement Agreement in CTS and provide electronic approval.

**F. Bureau of Contract Management**

1. Shall assist the program offices by sending settlement agreement documents and/or additional supporting documentation for the SA package, when applicable.
2. Shall review the draft Settlement Agreement in CTS and provide electronic approval.

**IV. ATTACHMENTS**

Attachment 1 - Guidelines for Settlement Agreements (PDF) revised 03/2019

Attachment 2 - Reference Guide for State Expenditures (PDF)

Attachment 3 - Settlement Agreement (Word format) revised 02/2019

Attachment 4 - Best Interest Letter (Word format) revised 01/2019