This course considers the practice of government's use of private (both for-profit and not-for-profit) service providers and how those contractual relationships are developed and managed. As most government services and goods are provided via arm's length transactions with non- or quasi-governmental organizations, a focus of the course is the financial, public policy, accountability and management issues associated with contracting in the public sector, including the use of public/private partnerships. This course also addresses the importance of performance management and measurement in relation to services provided directly by governmental organizations and those provided by contractors. Prerequisites: Pad 501 (Financial Management) and Pad 503 (Public Economics), or their equivalent.

Contracting is a principal activity of government organizations. Along with staffing (which encompasses human resources, payroll and related activities), it is one of the basic ways governmental organizations get things done. Yet the nature of the employee-to-organization relationship is fundamentally different from that of a contractor. Understanding how contracts work, how they are developed and how they are managed is an essential skill for public sector and nonprofit managers. Performance measurement is an essential component of contract management as, unlike employees, contractors are compensated based on their products (outcomes and outputs), rather than their inputs (e.g., time on task and knowledge and skill level). Government contracts can take many forms, including service agreements, grants, revenue contracts, capital design and construction, and intergovernmental agreements. In some areas, such as human services, contracts between government agencies and nonprofit providers are the principal way public services are delivered. Contracting with government is a major source of funding for many nonprofit organizations. Contracting by government can also be a significant policy area concern, including encompassing matters such as privatization, outsourcing, and public private partnerships. The nature of contracting by and between the public service organizations, as well as between public service organizations and the private for-profit sector, has many aspects, including legal, economic, financial, managerial – and political. The focus of this course is on the managerial aspects of contracting, how contracts are developed, procured, and managed and how program performance is monitored and measured. As such, this course fits with students pursuing concentration clusters in Public Economics and Finance, Nonprofit Management and Leadership, and Public Management / Local Government.
Course Objectives and Description

The primary objective of this course is for students to explore, understand and apply all aspects of contract development, procurement and award, and management of program performance. The goal is to make you all “contract experts” and enable you to apply that knowledge and skills in a real-world setting. This is a hands-on course; during the term, there will be multiple opportunities for students to develop, analyze, and review actual contracts and related solicitation materials. To the extent possible, actual contract documents will be used in class.

Upon successful completion of PAD 532, students will be able to:

a) Analyze contract documents and solicitation materials;

b) Develop contracts and solicitations;

c) Understand the difference between different contract forms (e.g., grants, service agreements, MOUs, and so on) and terminology

d) Understand and apply the contract procurement process, from inception to award

e) Discuss and recommend when contracting is (or isn’t) the most appropriate vehicle for services delivery

f) Evaluate the pros and cons of in-house vs. out-sourced services

g) Develop performance measures and criteria for contractor selection and for contract management

h) Manage contract implementation and contractual relationships

i) Develop performance measures for public organization services

This course uses a variety of source materials including actual contracts and solicitation documents, policy and procedure manuals of governmental agencies and a variety of articles, special studies and reports, as well as two required texts (see below). These materials will be available on-line (or through Blackboard). There are weekly assignments, as well as both individual and group written (and presentation) assignments.

Contact Information:

Office: 122 Milne
Email: pfinn@albany.edu
Phone (Office): 518-442-5254 (primary)
Phone (Cell): 518-929-5327 (back-up)
Office Hours: Tuesday 4:00 – 5:00 and Thursday 4:00 – 5:00 (may change)
(please call or email so I know you’re coming)

Course Requirements:

1. Prerequisites: Pad 501 and Pad 503, or their equivalents.

2. Required: internet access, spreadsheet (Excel) skills, writing skills
3. **Required Texts:**


   b) **RCM -- The Responsible Contract Manager: Protecting the Public Interest in an Outsourced World** (Cohen, Steven and Eimicke, William), Georgetown University Press, 2008.

   Both are available from Mary Jane Bookstore and online through Amazon and other sites (currently on back order).

4. **Other Recommended (Optional) Texts:**

   a) **Government Contracting, Promises and Perils** (Curry, William Sims) CRC Press 2010.

   b) **Grant Management: Funding for Public and Nonprofit Programs** (Hall, Jeremy), Jones and Bartlett Publishers, 2010.

   c) **Performance and Productivity in Public and Nonprofit Organizations** (Berman, Evan M.), M.E. Sharpe, 2006.


   e) **Getting To Yes: Negotiating Agreement Without Giving In** (Fisher, Ury and Patton), Penguin Books, 2011.

5. **Required on-Line Resources:**

   a) GSA Acquisition Manual, US General Services Administration, Office of Acquisition Policy, 2004

   b) New York State Procurement Guidelines, State Procurement Council, Office of General Services, 2009

   c) Federal Acquisition Regulation (FAR), US General Services Administration, Department of Defense and NASA, 2005

   d) Governing.com (Governing magazine site) and govexec.com (site for Government Executive) – both are good sources of current news in contracts (done right and gone bad), at all levels of government. Also have a daily newsfeed feature.

   e) Privatizationwatch.org (a site sponsored by Essential Information and the Center for the Study of Responsive Law) and the Reason Foundation’s privatization page (reason.org) represent both sides of the privatization debate. Both are good sources of information on legislation, contracts in process, current trends.

**Grading and Assignments**

1. **Attendance.** I will not take attendance. However, it is VERY STRONGLY encouraged as the nature of the course is such that MOST of the material will be provided through instruction and discussion IN CLASS. Course information is presented cumulatively. It
will be VERY DIFFICULT for students to make up for the missed class materials and information. If you are unable to attend a class, you should contact me in advance, if possible, and/or make arrangements with other students to obtain materials, information, announcements, etc.

2. **Assignments.** Similar to PAD 501, written homework will be assigned **weekly**. Written assignments are due before (or AT THE START) of class. If you going to be late or absent from class, written assignments should be placed in my mailbox in Milne before 5:00 PM or emailed to me (pfinn@albany.edu) before 6:00 PM on class night (Wednesday). Missing or late assignments will receive a zero grade and there will be no make-up or extra credit assignments. Assignments must be typed and printed on 8½ x 11 paper and stapled (including printed spreadsheets); assignments submitted via email should be formatted for printing and presentation as above (especially spreadsheets!).

Weekly assignments will posted **at least one week in advance** on Blackboard

3. **Readings.** Weekly reading assignments also are **required**. These complement the written homework and will be **discussed** in class and content may be included on graded examinations.

Weekly readings will posted **at least one week in advance** on Blackboard

4. **Manuals and Reports.** This course uses a number of “real sources” including procedure manuals and guidelines, contracts, bid documents, etc. These can be very lengthy and are not designed for leisure reading. However, they are a very necessary part of financial management in public sector; you can expect to spend a substantial amount of time in your career reading, writing and interpreting such lengthy (and boring!) documents – frequently under considerable time pressure -- so get used to it. It is a learned skill to be able to wade through such documents effectively and to find the information you need quickly – and then be able to apply it in the work setting. Be prepared to discuss these assigned readings in class and elements of those readings and discussions may be tested for, as well.

5. **Grading:**

   a) **Written (weekly) Assignments – 45%**
      
      o “Best Effort” (BE) assignments (7) – these are generally assigned before subject material is presented in class. One page (two pages max).
      Assignment is graded based on timeliness and completeness – 15%
      
      o “Graded” (GR) assignments (3) – in addition to timeliness and completeness, grading is based on content (e.g., recommendations, analysis). Generally, three pages in length (4 pages max) – 30%

   b) **Individual Analysis / Outsourcing Proposal – 25%**

   c) **Final Exam – 30%**
### Assignment Summary by Week:

<table>
<thead>
<tr>
<th>Week #</th>
<th>Date (W)</th>
<th>Class #</th>
<th>Reading</th>
<th>BE</th>
<th>GR / Other</th>
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<tbody>
<tr>
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<td>Read #3</td>
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<tr>
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<td>2-Oct</td>
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<td>Read #4</td>
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<td>GR #1</td>
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<td>Read #9</td>
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<td>27-Nov</td>
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<td></td>
</tr>
<tr>
<td>13</td>
<td>4-Dec</td>
<td>13</td>
<td>Read #12</td>
<td></td>
<td>Individual proposal</td>
</tr>
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</table>

11-Dec The end Final Exam
Expectations (Mine)

This is graduate school and students should have completed their PAD core. While it is expected that students will work collaboratively, assignments are to be submitted independently and should reflect a single students’ best work. Completeness and timeliness are a must and students should pay close attention to instructions and the specific questions to be answered. If you find “there’s a piece of information missing” that you feel you need to complete the assignment, I expect you to try to figure it out or find the answer yourself (the web is a great resource). If this means you need to note your assumptions (and sources) to get to an answer, please do that.

Be sure to familiarize yourself (and adhere to) the College’s and the University’s academic integrity guidelines (as summarized in the MPA Program manual and the Graduate Bulletin).

Also, please, no cell phones in view during class!

Blackboard

A Class Page has been created on Blackboard. Assignments and required readings will be posted at least one week before the class they are due. Class notes (Power Point slides) will be posted just before class each week.

Course Relationships

PAD 532 complements (and expands upon) several classes in the core, including PAD 501 (Financial Management), PAD 503 (Public Economics), PAD 505 (Data Analysis), and PAD 506 (Public Management). Depending on your concentration, if you want more in the topics covered in PAD 532, please consider:

- PAD 631 (Cost Management)
- PAD 626 (Program Evaluation)
- PAD 679 (Managing Organizational Finances)
- PAD 611 (Decision-Making)

COURSE SCHEDULE

- Class #1: August 28
  - Introduction
  - Requirements / Expectations
  - Overview of Contracting in Government (and Public Service Organizations)
  - Trends & Current Issues
  - Policy, program and financial considerations
  - How Do Organizations Get Things Done?
  - …and How Would You Know?
• Class #2: September 11
  o Managing and Measuring Performance
  o Program Management and Evaluation
  o Public vs. Private vs. Nonprofit
  o Efficiency vs. Effectiveness (Outputs & Outcomes)

• Class #3: September 18
  o Developing Performance Measures
  o Reporting
  o Process, Output & Outcome Measures
  o Management and Measurement

• Class #4: September 25
  o Performance Measures Workshop

• Class #5: October 2
  o The “Make or Buy” Decision
  o Employee vs. Contractor
  o Economic Considerations of Contracting: Bounds of the Firm, Incomplete
    Contracts, Asymmetry, Transaction Costs
  o Cost and Financial Considerations: Cost of Bidding, Marginal Costing, Relevant
    & Total Costs, Direct & Indirect Costs, Net Costs, Value of Assets, Ownership of
    Assets, Long-Term Liabilities

• Class #6: October 9
  o Legal Parameters of Contracting: Authority, Offer & Acceptance, Considerations,
    Terms, Validity, Breach, Remedies
  o Political Implications of Contracting

• Class #7: October 16
  o Contract Cycle
  o Solicitation & Procurement – Bids vs. RFPs
  o Procurement: the RFP (application, structure & components)
  o Terms & Applications: RFPs vs. IFB (bids), RFI, RFQ, pre-qualification /
    backdrop & piggyback
  o Evaluating Proposals

• Class #8: October 23
  o Contract Development and Award
  o Negotiation
  o Contract Components – mandatory & optional
  o Payment Models: Advance, Reimbursement, Retainage, Penalties & Incentives
  o Monitoring, Enforcement and Management
• Class #9: October 30
  o Special Contract Types
    ▪ Grants
    ▪ Emergencies
    ▪ Licenses, Leases, Permits
    ▪ Revenue Contracts
    ▪ Construction: e.g., fixed costs, cost plus, time & materials, design-build
  o Contract Issues
    ▪ Ethics
    ▪ Socioeconomic Contracting
    ▪ Partnerships & Networks

• Class #10: November 6
  o Contract Management (Implementation)
  o Contract Management and Performance Measurement
  o Reporting
  o Process, Output & Outcome Measures

• Class #11: November 13
  o Outsourcing & Privatization
  o Government vs. Nonprofit and For-Profit Providers – advantages & disadvantages
  o In-Sourcing – MOUs and SLAs
  o Introduction to Individual Analysis / Outsourcing Proposal Assignment

• Class #12: November 20
  o Complex Contract Forms (examples)
  o Public Private Partnerships (P3)
  o Privately-Financed Initiatives (PFI)
  o Multi-Contract Networks

• Class #13: December 5
  o Course Wrap-Up
  o Individual Proposal Assignment Due
  o Introduction to Final Exam Problem

• Final Exam – December 11 (tentative)

8/20/2013