

PURCHASE OF SERVICE (POS) CONTRACTS

DEFINITION

The recommendations make reference to Purchase of Service (POS) contracts. A POS contract is a contract between a state agency and a private provider organization or municipality for the purpose of obtaining direct health and human services for agency clients. The contract generally is not used for the sole purpose of purchasing administrative or clerical services, material goods, or training and consulting services. POS contracts cannot be used to contract with individuals.

OPM ANNUAL REPORT ON PURCHASE OF SERVICE CONTRACTS

The OPM Annual Report on Purchase of Service (POS) Contracts summarizes information regarding POS contracting activity of state agencies. As required by Public Act 11-238, this report includes an assessment of the aggregate financial condition of nonprofit, community-based health and human services agencies that enter into POS contracts. Follow the links below to view the Annual Legislative POS Reports from the Office of Policy and Management.

[POS Annual Legislative Report \[SFY '14\]](#) (Adobe.pdf)

[POS Annual Legislative Reports \[SFY '07-'14\]](#) (OPM Website)

OPM COST STANDARDS

[Purchase of Service: Cost Standards](#) (PDF, 668KB)

Date: January 14, 2014

OPM PROCUREMENT STANDARDS

[Procurement Standards: For Personal Service Agreements and Purchase of Service Contracts](#) (PDF, 474KB)

Revised: December 5, 2014

GUIDING PRINCIPLES TO GUIDE THE STATE-PRIVATE NONPROFIT PROVIDER PARTNERSHIP

These Partnership Principles are intended to promote a fair, effective, responsive, transparent, and accountable partnership between nonprofit providers and their state government funders to facilitate a sustainable human services system.

These Partnership Principles are as follows:

- All contracted services are based on dynamic, data-driven systems;
- The selection processes for contracted providers are transparent and competency-based;
- Contract terms and renewals are based on the community's best interest and performance;
- Contract amounts and timely payments are critical to maintaining a viable system;
- Reporting and monitoring promote efficiency and accountability;
- There is open communication and mutual accountability which are critical for government agencies and nonprofit providers to fulfill their shared commitment to the public good.