



To:	BHS Contracted Service Providers
From:	Behavioral Health Services
Date:	May 10, 2024
Title	Updates to Contractor Inventory Transfer Process

This process ONLY applies to contracts participating in the Payment Reform transition from Cost Reimbursement to Fixed Price via contract amendment in calendar year 2023 or 2024 and single source contract renewals. If uncertain if this applies to your contract, please check with your Contracting Officer’s Representative (COR).

Upon signing fixed price contract, all inventory, including Capital Assets, Vehicles, and Minor Equipment, may be transferred from County ownership to the Contractor.

INVENTORY TRANSFER PROCESS:

1. Contractor completes Fiscal Year (FY) 2023/24 **Inventory Report**.
 - a. The Final **Inventory Report** must include:
 - County contract information.
 - All capital assets, vehicles, and minor equipment purchased or leased with County contract funds since the contract start date. (Minor Equipment valued at \$500 - \$4,999 and Capital Assets valued at \$5,000 or more.)
 - All equipment that holds Personal Identifiable Information (PII) such as cellphones and laptops, and items that retain memory and/or are subject to misuse or theft regardless of value and contract type.
 - Excludes equipment previously salvaged or transferred.
 - b. Purchased Vehicle Transfer:
 - Submit Vehicle Transfer documents listed below to COR.
 1. Vehicle Title or Vehicle Registration
 2. Contractor point of contact information
 - c. Leased Vehicle Transfer:
 1. Remove County as lienholder and submit copy of updated lease.
 2. Or end current lease and include documentation.
2. Submit completed **Inventory Report** to COR team for preliminary review and approval.
3. COR team reviews submitted documents and responds within 60 days via email requesting additional information or confirming inventory is approved to transfer.
4. Upon receipt of COR approval email to complete transfer, Contractor signs **Equipment Retention Certification** form, attaches completed **Inventory Report** and submits to COR.
 - a. The **Equipment Retention Certification** form is the official record transferring the equipment and signifies Contractor’s commitment to follow required processes for IT equipment upon contract conclusion.

For More Information:

- Contact your COR



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If Contractor elects to retain inventory, please notify the COR directly and continue to follow all related policies and procedures for Cost Reimbursement contract inventory management.

IMPORTANT TO NOTE:

- There is no change to Contractor adherence with [Article 14, Information Privacy and Security Provisions](#) included in the Contract.
- Contractors are required to report privacy incident(s) and loss of equipment containing personal information remains a requirement. See [HHSA Office of Business Assurance and Compliance](#) for additional information.
- Once the transfer of property is complete, Contractor is no longer required to utilize the County’s disposition process, or to submit an inventory report annually, however, **Article 11, Audit and Inspection**, remains applicable and Contractor inventory remains subject to inspection per COR discretion.
- Additionally, some contracts may transition to a Fixed Price payment model which includes a line-item budget for flex funding, housing costs or other expenditures as identified in the Exhibit C to be reimbursed at cost.
 - Fixed Price contracts with this structure are required to follow inventory policies for only those items included in the line-item budget and reimbursed at cost.
 - If the new contract includes this model, please work with your COR team directly to discuss requirements for inventory.

For More Information:

- Contact your COR