

**SAN DIEGO WORKFORCE PARTNERSHIP, INC.**  
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<b>OPERATIONS ISSUANCE</b>
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**OPERATIONS ISSUANCE NO. 2013 - 02**

**DATE:** August 24, 2012

**TO:** Adult & Youth Program Service Providers  
One-Stop Career Center Operators

**FROM:** Nathaniel K. Buggs  
Vice President and Chief Operating Officer

**SUBJECT: REVISION TO CORRECTIVE ACTION POLICY FOR ADULT AND YOUTH PROGRAMS**

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**PURPOSE**

The purpose of this operations issuance is to notify all Adult and Youth Program Service Providers and One-Stop Career Center Operators of a revision to the organizational Corrective Action Policy, covering all providers serving participants with funds from the San Diego Workforce Partnership (Workforce Partnership). The revision incorporates changes to the Corrective Action Policy (Attachment A). All revisions are shown in bold.

**BACKGROUND**

Corrective action plans are used to address findings that result from either internal or external monitoring or program reviews. To ensure a consistent system of addressing contractor performance, programmatic and financial issues, the Workforce Partnership is implementing a system-wide Corrective Action Policy. The goal of the Corrective Action Policy is to create an organization-wide policy that clearly outlines the process for determining when, and how, corrective action plans need to be applied to service providers serving participants funded through the Workforce Partnership.

Corrective action will be taken when a contracted service provider or One-Stop Operator fails to meet compliance, performance, or managerial issues that are major or minor in severity. These include, but are not limited to, those that are in violation of the legislative and contractual requirements, and/or affect required Workforce Partnership performance standards, expenditure rates, and/or customer service.

The Workforce Partnership Operations Manual, Chapter II, Contract Administration, section 2.1.3, "Contract Status and Performance Measures" and Chapter VIII, Monitoring, Section 8.1,

“Introduction”, provide the background in support of establishing a Corrective Action Policy. In Chapter II Contract Administration, Section 2.1.3 “Contract Status and Performance Measures” it states “The Program Specialist shall conduct monthly performance and financial reviews for each assigned contract utilizing client information entered into the Workforce Partnership’s Customer Information Services Reporting System (CISRS) and financial data recorded in the accounting system and distributed through General Ledger reports. Actual performance data is compared to contract plan performance to determine status. Financial budgets are compared to monthly expenditures for year-end forecasts. Low performance results or financial variance to budget will prompt the Program Specialist to issue a request for corrective action plans from the Service Provider.”

Chapter VIII, Monitoring Section, 8.1 “Introduction” indicates “The monitoring process serves as a management tool for both the Workforce Partnership and One-Stop Operators and Adult and Youth Service Providers to provide timely feedback to management through findings and recommendations. The process allows managers to know what is happening at any given time and can provide “warning signals” that a problem may be developing so that improvement measures or corrective action can be taken by management.”

At this time, the Corrective Action Policy does not cover other types of contracts or service agreements for other purposes, such as research, monitoring, curriculum development, etc., nor those funded solely through the Workforce Funders Collaborative. Attachment A, “Revised Workforce Partnership Corrective Action Policy”, clarifies the policy and procedures for Corrective Action, and provides an outline of the progressive manner in which Workforce Partnership staff and service providers will address program performance, financial reporting, and monitoring deficiencies.

## **ACTION**

All Adult and Youth Service Providers and One-Stop Operators are required to follow the Revised Corrective Action Policy and all Workforce Partnership Program Specialists will utilize this revised policy when addressing corrective action issues. This issuance replaces and supersedes Operations Issuance 2012-06 Corrective Action Policy for Adult and Youth Programs issued on October 17, 2011.

This Policy is meant to work in conjunction with contract language or policies in any current contract, but is intended to be the default process where other corrective action language is not specified. It will supersede any former organizational policies for the corrective action process.

If you have any questions regarding this issuance, please contact your Program Specialist at (619) 228-2900.

## **Attachment**

A. Revised Workforce Partnership Corrective Action Policy

cc: Workforce Partnership Internal Distribution List  
Mayer Hoffman McCann, P.C., Monitoring Contractor

## San Diego Workforce Partnership Corrective Action Policy

The Corrective Action Policy and procedures in this policy cover all contracted service providers and One-Stop Operators (Providers) serving participants with funds from the San Diego Workforce Partnership (Workforce Partnership). This Policy clarifies the policy and procedures for corrective action, and provides an outline of the progressive manner in which Workforce Partnership staff and service providers will address program performance, financial reporting, and monitoring deficiencies.

Corrective action will be taken when a contracted service provider or One-Stop Operator fails to meet compliance, performance, or managerial issues that are major or minor in severity. These include, but are not limited to, those that are in violation of the legislative and contractual requirements, and/or affect required Workforce Partnership performance standards, expenditure rates, and/or customer service.

### Corrective Action Process

The following outlines the progressive manner in which Workforce Partnership staff and Providers will address program performance, financial reporting, and monitoring deficiencies. *These guidelines are in addition to any contractual or performance policy language for any individual contract. An individual contract may include additional steps or more immediate action based on specific circumstances outlined in that contract.*

1. The Workforce Partnership shall send a warning letter noting the area(s) of deficiency, **for the measure(s) in that accountability period, to the Provider's Executive Director or equivalent position, and copy the Program Manager;** *In some circumstances, such as when performance triggers are specifically called out in an individual contract's language, the process may move directly to a Corrective Action Plan without the step of sending a warning letter.*
2. The Provider **is required to** provide a response to the Workforce Partnership within five (5) business days of the issuance of the warning letter, and a date for resolution of the issue. Upon receipt of any response, the Program Specialist may request a follow-up meeting with the Provider to discuss performance or other contract compliance issues.
3. Ultimately, it is the responsibility of the Provider and not the Workforce Partnership to address and resolve performance and contract compliance issues. However, the Workforce Partnership will work with the Provider to address technical assistance and/or capacity building needs to ensure the delivery of high quality services to participants. This may include 1) technical assistance provided by the Program Specialist or other designated staff, as necessary, and/or 2) outside technical assistance or consulting to assist the provider.
4. Once a warning letter has been issued, the deficiency will continue to be reviewed by the Program Specialist to determine if the issue has been resolved by the end of the period specified in the response to the warning letter. **If a Provider is found to continue to be deficient at this date, a letter will be sent to the Provider's Signature Authority (copy to the Executive Director or equivalent position and Program Manager) formally requesting a Corrective Action Plan.** See Corrective Action Plan Template (Attachment 1).

5. The Provider shall have five (5) business days from the date the letter is issued to submit a written Corrective Action Plan to the Program Specialist addressing how the deficiency(ies) will be corrected. The Corrective Action plan must include the following:
  - a. The finding or concern,
  - b. Cause for the finding or concern,
  - c. An Action Plan to correct the deficiency, and
  - d. The target date of correction or dates of action steps towards completion.
  - e. Request for technical assistance from San Diego Workforce Partnership, if needed.
6. Provider shall have no more than forty-five (45) calendar days from the date of the submitted Corrective Action Plan to correct a deficiency, unless circumstances call for an extended timeframe that has been agreed upon between the Provider and the Workforce Partnership. The Program Specialist shall oversee compliance with the Corrective Action Plan and conduct periodic follow-up. Additional information may be requested to track progress during the Corrective Action timeframe.
7. If the deficiency(ies) is not satisfactorily rectified, the Workforce Partnership will review the Provider's Corrective Action Plan and any supporting documentation, along with staff recommendations, and provide further direction.
8. **Any resolution of the Correction Action Plan will be communicated, via written correspondence, by the Workforce Partnership to the Provider's Signature Authority (copy to the Executive Director or equivalent position and Program Manager).**
9. Outstanding Corrective Action status may be subject to one or more of the following actions:
  - a. The Corrective Action may be continued for an additional time period depending upon the circumstances of the deficiency and ability to resolve the issue promptly, as determined by the Workforce Partnership;
  - b. Providers with outstanding or unresolved Corrective Action Plans at the end of a Program Year may face one or more of the following consequences:
    1. Provider may not be considered for continued funding or an extension of their contract from the Workforce Partnership;
    2. Provider may be subject to a de-obligation of funds;
    3. Provider may be considered ineligible for funding in future procurements, for a specified time period, from the Workforce Partnership; and/or
    4. Provider may be subject to a termination of contract.
10. If it is determined that a de-obligation of funds or a termination of contract is warranted, this recommendation will be brought for approval by the formal governance structure of the Workforce Partnership. Written notification will be sent to the **Provider's Signature Authority (copy to the Executive Director or equivalent position and Program Manager)** informing them of such action.

**Attachment 1 - Corrective Action Plan Template**

**San Diego Workforce Partnership Programs  
CORRECTIVE ACTION PLAN**

**Action Required:** This initial corrective action plan should be submitted by *[Date]*.

1. **Finding/Concern**
  
2. **Corrective Action Planned**
  
3. **Expected Outcome**
  
4. **Staff Responsible**
  
5. **Target Date of Completion**
  
6. **Actual Date of Completion**
  
7. **Attachment(s)**