

# **OPERATIONS MANUAL CHAPTER 2: CONTRACT ADMINISTRATION**

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## I. INTRODUCTION

Contract Administration concentrates on the relationship between the San Diego Workforce Partnership (Workforce Partnership) and the Subrecipient from contract award to contract closeout ensuring the Subrecipient delivers the product and/or service in conformance with the contractual agreement requirements. The Contract Administrator (Workforce Partnership employee assigned to Subrecipient) must completely understand all aspects of the contract agreement. This chapter describes the Workforce Partnership's requirements and recommended practices associated with contract administration activities.

## II. ROLE OF THE CONTRACT ADMINISTRATOR

The primary role of the Contract Administrator is the management of contracts made with subrecipients or vendors. Contract management includes negotiating the terms and conditions in contracts and ensuring compliance with the terms and conditions, as well as documenting and agreeing on any changes or amendments that may arise during its implementation or execution. It can be summarized as the process of systematically and efficiently managing contract creation, execution, and analysis for the purpose of maximizing financial and operational performance and minimizing risk.

### A. TECHNICAL ASSISTANCE

The Contract Administrator will make periodic visits to each Subrecipient to discuss program progress, at a frequency determined by the Workforce Partnership. At the minimum, annual visits from federal, state, or local funders' fiscal and program monitors or Workforce Partnership staff members are also to be expected.

When deemed necessary by the Workforce Partnership, technical assistance will be provided to the Subrecipient. Technical assistance may include but is not limited to training sessions, orientation for new subrecipients or one-on-one assistance.

## III. CONTRACTING REQUIREMENTS

A designated authorized representative must be empowered to make binding commitments for the Subrecipient and its subcontractors, if any. The Workforce Partnership reserves the right to negotiate the final terms of the contract agreements as outlined in the Workforce Partnership's Internal Procurement Policy. Items that may be negotiated include, but are not limited to, the scope of work, the implementation schedule, and the final award amount. If the organization recommended for funding fails to provide services outlined in the agreement and proposal, the Workforce Partnership may use an alternate Organization(s) to perform services upon board approval.

### 1. Subcontracts

The Subrecipient may enter into subcontracts for specialized client services. Subcontracting services must follow the procurement guidelines set forth in the *Workforce Partnership Operations Manual, Chapter 3. Procurement and Property Management* and have the written approval of the Workforce Partnership prior to contract implementation. The Workforce Partnership, State, and/or its DOL representatives, shall have the right to monitor and review all subcontracts issued under this agreement with or without prior notice to the Subrecipient.

All Subrecipients must monitor their subcontractors in accordance with the guidance laid out in the *Workforce Partnership Operations Manual, Chapter 8: Oversight and Monitoring* to ensure funds are used for authorized purposes.

All Subrecipients are responsible to confirm that their subcontractors are not debarred, excluded, or suspended. The following website should be used to confirm the exclusion status of the subcontractor.

- <https://www.sam.gov/portal/SAM/#1> (Select Search Records> enter the business name into Quick Search. Verify that either a) “Has Active Exclusion: No” or b) there is no record in the database).
- Organizations who are debarred, excluded, or suspended are not eligible to receive funding from federal funds.

## A. STATEMENT OF QUALIFICATIONS (SOQ)

By agreeing to be a subrecipient, you are agreeing to the terms outlined in the **ATTACHMENT – STATEMENT OF QUALIFICATIONS (SOQ)**. The SOQ will establish a Subrecipients qualifications to receive WIOA funds. The submission of a SOQ determines an organization's legal, administrative, and fiscal capacity to meet the Workforce Partnership, State, and Federal government requirements. The SOQ places organizations on the Qualified Agencies List (QAL), which allows the organization to be eligible to be awarded a contract with the Workforce Partnership. The SOQ documents must be submitted at the time of award and updated annually with the Workforce Partnership.

## B. CERTIFICATE OF INSURANCE (COI)

By agreeing to be a subrecipient you are agreeing to provide a commercial general liability insurance policy, naming The San Diego Workforce Partnership, the City of San Diego, and the County of San Diego as additional insured, protecting against any and all claims for injury to persons or property, protecting against assumed or contractual liability under this Agreement, and covering negligent acts and omissions of Contractor and Contractor Parties, with such policy to be in the minimum amount of One Million Dollars (\$1,000,000.00) per occurrence, and with an aggregate limit of at least Two Million Dollars (\$2,000,000.00). The contractor shall provide the Workforce Partnership a certificate evidencing such insurance. See **ATTACHMENT – CERTIFICATE OF INSURANCE (COI) EXAMPLE**.

## C. CONTRACTUAL AGREEMENT TEMPLATE

By agreeing to be a subrecipient you agree to the terms outlined in the **ATTACHMENT – CONTRACT RECITALS AND AGREEMENT TEMPLATE**.

## D. GENERAL PROVISIONS

By agreeing to be a subrecipient you agree to the terms outlined in the **ATTACHMENT – CONTRACT GENERAL PROVISIONS**.

## IV. SUBRECIPIENT CONTRACT RESPONSABILITIES

The subrecipient shall be responsible to carry out program services as agreed to in the contract agreement and general provisions. The Subrecipient shall be responsible for the acceptance and maintenance, disbursement, accounting, and reporting of WIOA Title 1 and other awarded funding during the period of the contract. Grant subrecipient duties and responsibilities shall be performed for the direct benefit of the Workforce Partnership in the disbursement of funds and performed in

accordance with, and governed by, applicable provisions of WIOA Title 1 and regulations, applicable Federal Office of Management and Budget (OMB) circulars and state policies and local laws. The subrecipient disbursement of funds shall be performed in accordance with the policies and procedures outlined in the Workforce Partnership's Operations Manual.

Subrecipients are expected to learn and follow the policies and procedures outlined in the [Workforce Partnership's Operations Manual](#).

## A. CONTRACT PERFORMANCE

WIOA requires a comprehensive accountability system to determine the effectiveness of services provided through the Subrecipients. All performance data is entered into CalJOBS in order to capture the required performance outcomes. Performance requirements are specifically called out in the **Subrecipient Contract - Attachment - Program Performance Measures**.

Contract Administrator will review performance reports from the system of record (i.e., CalJOBS for WIOA funded programs) to determine if the contractor is above, meeting, or exceeding all contract performance.

## B. MONTHLY EXPENDITURES

Contract Administrator will analyze monthly invoices against planned expenditures to determine if the Subrecipient's expenses are above, meeting, or below their planned expenditure in their submitted budget.

All Subrecipients must adhere to the guidance laid out in the **Workforce Partnership Operations Manual, Chapter. 6 Financial Management**.

All expenditures are planned with a contractual obligation of 100% funds expenditure, and invoices are tracked toward final expenses of no more than 100%. If contract expenditures are over 100% in any category (i.e., Personnel, Infrastructure/Facilities Costs, Participant Costs, etc.), except Indirect Costs and Negotiated Profit, the Subrecipient may submit a request for Reimbursement of Over Budgeted Expenses to the Contract Administrator, documenting reasons for the overage, the impact of the costs on contract program and financial performance and stating if additional expenses are likely to be incurred. Detailed items of cost within categories can vary up to 10% versus plan, as long as a category does not exceed 100%. The Subrecipient requests for over budgeted expense reimbursement or program modification will be reviewed and approved or denied by the Contract Administrator, Department Management and above. The review is done on a case-by-case basis, and cost reimbursement is not automatically granted.

## C. OVERSIGHT AND MONITORING

Oversight and monitoring are a regular, systematic review of programmatic and fiscal activities, administrative systems and management practices to determine if they are appropriate, effective and in compliance with the terms of the contract, WIOA rules and regulations, Department of Labor (DOL) requirements, Employment and Development Department (EDD) directives, and the Workforce Partnership's policies and procedures. Oversight and monitoring serve as an important mechanism to identify and document necessary corrective actions, provide technical assistance, and track progress. For more information refer to the **Workforce Partnership Operations Manual, Chapter 8. Oversight and Monitoring**.

The Workforce Partnership will analyze trends to determine root causes of recurring operational and financial issues and recommend system process improvements and/or best practices to remedy the problem. Contract underperformance (1), financial variance between actual and planned budgets (2), and/or compliance and monitoring (3) may result in technical assistance, corrective action, and/or contract termination.

## D. CONTRACTED MODIFICATIONS

Contract terms are determined during the contract negotiation process and may be changed only through a contract modification. Contract modifications are used to address program or financial revisions and are reserved for extreme variations in the program design, scope of work or expenditure trends. The Subrecipient must complete **ATTACHMENT - MODIFICATION REQUEST FORM** and submit to their Contract Administrator prior to the negotiation phase to agree on the initiation of the modification of the program design, scope of work budget and/or performance outcomes. The Workforce Partnership may recommend a contract modification for financial or programmatic reasons at any time. If modification request is approved, the Subrecipient must complete the **BUDGET MODIFICATION CHANGE DETAIL FILE** that will be uploaded to the Contract Documents folder in SharePoint.

### 1. Modification Limitations

Contract modifications cannot be used to bring the Subrecipient's programmatic or financial performance into compliance. Retroactive changes will only be made to comply with a change in state or federal regulations and not to correct unsatisfactory programmatic or financial performance outcomes.

Contract renegotiations occur once per year, and disallowed line-item overages will drive the planning process for the following year. Alterations to the original contractual budget can compromise original contract intent and purpose.

### 2. Modification Types

A contract modification may be either major or minor in scope. All modification requests must be in writing and, regardless of the type of modification, a copy must be made available to the Subrecipient and shall be placed in the active contract file. **Contract modifications are not retroactive.** All budget modifications must be found allowable and in the best interest of the program.

If modification request is approved, the Subrecipient must complete **BUDGET MODIFICATION CHANGE DETAIL FILE** when submitting their budget modification.

The definition of either type of modification is as follows:

#### a) Major Modification

A major modification is any modification to a contract which requires authorized signature of both the Subrecipient and the Workforce Partnership. Major modifications above the signature authority of the President and CEO or designee may require San Diego Workforce Development Board (WDB) approval. Instances that require WDB approval include, but are not limited to:

- Extension of the period of performance for more than 31 days
- Increase of any funding source amount over \$100,000
- De-obligation of funds

Instances that may require a major modification without WDB approval include, but are not limited to, the following:

- Increase in funding below \$100,000
- Changes between Support and Program cost categories. **Note:** *The resulting amount must not exceed the maximum allowable for the Support cost category*
- A major modification may be necessary in the case that the Workforce Partnership's approves line item or category expenditures exceeding the budgeted final cost reimbursement of 100%

Both the Subrecipient and the Workforce Partnership must sign all major modifications before the modification is effective.

### b) Minor Modifications

A minor modification is any change to a contract that is non-financial in nature, outside the scope of a major modification, and does not require WDB approval. Examples of minor modifications are:

- Clarification due to typographical errors or adjustment of quarterly service levels
- Typographical and/or grammatical errors within the contract budget
- Contract extensions up to one month without a change in the total funding amount
- Shifting of performance outcomes from one month to another within the specified period of performance
- Any other appropriate administrative action short of contract termination

### Budget Modification Process

- Subrecipient shall complete and sign **ATTACHMENT - MODIFICATION REQUEST FORM** and submit to their Contract Administrator for review and approval.
- If approved, the Workforce Partnership Program Analyst will generate the **BUDGET MODIFICATION CHANGE DETAIL** and upload both files into SharePoint (Contract Documents Folder) and inform the Subrecipient and the Contract Administrator.
- Subrecipient shall update, in SharePoint, the **BUDGET MODIFICATION CHANGE DETAIL** and inform the Contract Administrator and the Programs Analyst when completed.
  - "Proposed Budget" amount must not be less than "YTD" amount
    - a. Even if fractional, they will have a "red(ish)" highlight
  - "Reason for change" entries must be provided for all line items with changes
  - "Total" "Change" on the "Total Amount" row must be zero
- The Contract Administrator will review the "**BUDGET MODIFICATION CHANGE DETAIL**" for programmatic compliance
- Programs Analyst will review **BUDGET MODIFICATION CHANGE DETAIL** for financial compliance.
- Once the **BUDGET MODIFICATION CHANGE DETAIL** is fully approved by the Contract Administrator and the Programs Analyst, it will be routed for review and approval.
- The Contract Administrator will inform the Subrecipient when the Budget Modification is fully executed
- The Subrecipient will incorporate the Budget Modification into their monthly invoice files.

## V. ON-BOARDING AND OFF-BOARDING STAFF

**Onboarding** is the initial process of assimilating new employees into an organization. In addition to equipping new hires with the tools necessary to succeed in their new position. Access request for new staff must be submitted via the partner portal five (5) business days prior to the staffs 1st day of work. Access to the accounts selected will be active as of 9am on the employees 1st day of employment.

**Offboarding** should include deleting any former accounts accessed by the former employee so the company is no longer charged for the usage and the data doesn't linger out in the open. Account deactivations should be set as their last day and will be processed at 5pm on this date.

**Role Change** should be updated if an existing staff member is in a new role and needs to have some aspects of their user accounts updated. The accounts access will be updated as of 9am on the date selected of the role change.

### Onboarding and Offboarding Process

**\*Only managers and above are authorized to request account access and submit Staff Change Requests\***

1. Navigate to the [Partner Portal](#) website and login.
2. In the main navigation menu at the top of the page click the "Resources" tab and scroll down and click "Staff Changes"
  - a) Select the staff change type
    - Onboarding
    - Offboarding
    - Role Change
  - b) Select the user type
    - Workforce Partnership Staff
    - Career Center Staff
    - Other
  - c) Select the effective date of the employee change
  - d) Enter the employee information
  - e) Follow the prompts such as selecting the access types/changes until submission.

## VI. ORGANIZATIONAL CHANGE FOR AJCC'S

All Subrecipients of WIOA funding and America's Job Center of California (AJCC) locations must provide and submit all changes of their organization or office information to the Workforce Partnerships assigned Contract Administrator as instructed below. Having the most current information enables the Workforce Partnership to provide participants and employers with the most current information. There are two types of Change Forms that apply to WIOA Subrecipients: Type 1 and 3, which are listed below.

### A. TYPE 1 CHANGE FORM

All Subrecipients of WIOA funding must report organizational changes and must be submitted on the **ATTACHMENT - SUBRECIPIENT INFORMATION CHANGE FORM – TYPE 1**. Type 1 changes may include one or more of the following:

- Subrecipient name, site, mailing address or public phone number changes.
- Subrecipient Director/Administrator name, address, telephone, fax, or email changes.
- Subrecipient Director/Administrator Alternate name, address, telephone, fax, or email changes.
- Local Workforce Development Board Chair name, address, telephone, fax, or email changes (Workforce Partnership only).
- Chief Elected Official name, address, telephone, fax, or email changes (Workforce Partnership only).

## B. TYPE 3 CHANGE FORM

The **ATTACHMENT - AJCC CHANGE FORM – TYPE 3** facilitates updates to the EDD Office Locator on the EDD’s website, the America’s Service Locator, sponsored by the U.S. Department of Labor, and the AJCC database. The AJCC Change Form should only be completed if there are AJCC changes, openings, or closures. Section I and Section III of the attachment must be filled in completely. However, only the areas in Section II where changes have occurred need to be completed. As a result, job seekers and employers can connect to the most convenient AJCC in their area. Type 3 changes may include one or more of the following:

- AJCC openings and closures.
- AJCC name, address, website address, telephone, fax, or teletypewriter (TTY) number.
- EDD staff presence.
- Veterans' representative presence.
- Hours of operation.
- Level of service.
- Office Manager’s name, email, or telephone number.

If any change listed above occurs, Type 1 or 3 attachments must be completed and emailed to your designated Contract Administrator for processing.

## VII. ATTACHMENTS

**Contract Recitals and Agreement Template**

**Contract General Provisions**

**Subrecipient Signature Authorization**

**Statement Of Qualifications (SOQ)**

**Certificate of Insurance (COI) Example**

**Modification Request Form**

**Subrecipient Information Change Form – Type 1**

**America’s Job Centers of California Change Form – Type 3**