

**HOUSTON-GALVESTON AREA COUNCIL  
WORKFORCE SOLUTIONS  
CONTRACT MANAGEMENT POLICIES AND PROCEDURES  
OCTOBER 2011**

All H-GAC Workforce Solutions contractors will use these management policies and procedures in executing the requirements of their contracts, including but not limited to: (1) maintaining financial systems and reports, (2) procuring and managing property, (3) procuring, writing, and managing subcontracts, (4) securing insurance, (5) establishing and maintaining information systems and access, (6) monitoring required aspects of contract performance, (7) handling and processing customer complaints, (8) acquiring and using facilities, and (9) using and implementing required federal and state certifications.

DRAFT

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## **I FINANCIAL SYSTEMS AND REPORTING**

New policies and procedures in regard to financial reporting for the workforce system have been issued by the Texas Workforce Commission, and many of the new policies and procedures have a direct impact on the tracking and reporting of expenditures by contractors with the Gulf Coast Workforce Board. Particular emphasis is placed on establishing consistency in the definition of administration among the non-child care funding streams and on the consistent and accurate reporting of administration costs by all contractors.

### **Financial reporting**

Unless otherwise agreed in writing, a contractor must submit a financial report of expenditures once monthly. For an organization reporting once per month, expenditure reports are due to H-GAC by Close of Business (COB) on the ninth calendar day of a month for the previous month's expenditures. If the ninth falls on a weekend or on a holiday, the reports are due by COB the next business day following the ninth.

If a contractor files expenditure reports twice per month, the reports are due to H-GAC by COB on the ninth of the month for expenditures through the end of the previous month, and the twenty-first of the month for expenditures through the fifteenth of the month. If the twenty-first falls on a weekend or on a holiday, the reports are due by COB the next business day following the twenty-first.

It is especially important that the report for the ninth accurately and fully represent cumulative expenditures through the end of the previous month, including any adjustments (made in the current month only) for prior periods. Expenditures reported to H-GAC on the ninth represent the primary basis for monthly expenditure reporting to the grantor agency.

The cash draw from the grantor agency generally will occur on the business day following the due date to H-GAC, usually the tenth and the twenty-second of any given month. Reports due on the ninth and received earlier, between the first and the ninth, will be held for processing and cash draw in conjunction with other reports due on the ninth. Reports due on the twenty-first and received earlier, between the sixteenth and the twentieth, will be held for processing and cash draw in conjunction with other reports due on the twenty-first.

Reports received after the applicable due date will NOT be processed and cash will NOT be drawn for payment on those reports until the next processing cycle associated with the next report due date. For example, a report due on the ninth and received on the tenth will NOT be processed until the twenty-second of the month. A report due on the twenty-first but not received until after that date will NOT be processed until the tenth of the following month. Expenditure reports will NOT be processed and cash will NOT be drawn on an "as reports are received" basis, unless they are received on the indicated due dates. A contractor can expect to be paid approximately 10 days after the report due date. Payment to contractors is made by Electronic Funds Transfer (EFT). EFTs generally will occur twice per week, on Tuesday and on Thursday.

Contractors must report expenditures in electronic format via email. H-GAC's Finance Department will issue each contractor a password for use in submitting the monthly reports to a secure email address: [workforcefinreports@wrksolutions.com](mailto:workforcefinreports@wrksolutions.com). H-GAC will issue a password to a contractor's Executive Director or equivalent person who will be responsible for assigning appropriate personnel to use the password for report submission. The Executive Director must provide the names and email addresses of individuals (up to three) who are authorized to submit reports via email. Passwords must be carefully guarded and restricted to the three authorized individuals for each contractor.

With the electronic financial report submission by email, H-GAC will not require original signatures on separately submitted documentation. When an authorized person uses the password to submit a report, H-GAC will consider that password-protected submission to contain the equivalent of an original signature. **A financial report submitted by anyone not authorized by the contractor's Executive Director will not be processed and paid by H-GAC. A financial report submitted to a different email address than [workforcefinreports@wrksolutions.com](mailto:workforcefinreports@wrksolutions.com) will not be processed and paid by H-GAC.**

Back-up documentation for reimbursable expenses submitted on each financial report must be maintained by the contractor. However, under normal circumstances, the documentation is not required to be submitted with the electronically submitted financial reports. Each contractor must ensure that the documentation is readily available for inspection by authorized representative(s) of H-GAC at any time during normal business hours. H-GAC, or an authorized representative of H-GAC, will schedule a review of backup documentation at least several times during any contract period. H-GAC also may conduct random inspections of such backup documentation. In addition, H-GAC may conduct separate or specific inspections of backup documentation if expenditures or adjustments seem out of line with expectations or with normal and accepted accounting practices. Problems or questions arising as a result of an inspection will be handled in accordance with the terms and conditions of the contract.

### **Cost Classifications**

For all funding provided to a contractor through the Gulf Coast Workforce Board, contractors are to establish written policies and procedures that address the classification of administrative and direct services or program expenditures. The policies are to include the rationale for the classification decisions set forth by those policies and procedural controls. Written policies and procedures must support efforts for consistent reporting of similar types of expenditures. Inclusion of the rationale behind the policies and procedures is required in order to aid internal and external users (e.g., auditors and monitors) in understanding the intent and consistent application of the same rationale to new or unusual circumstances.

### **Cost Categories**

Attachment 1 identifies the cost categories for allocated funds. Attachment 2 provides corresponding cost category descriptions, with the exception of Child Care. Attachment 3 provides cost category descriptions for Child Care funds.

Financial report forms for new contracts or new funding streams added to existing contracts may be revised to incorporate new definitions and cost categories and to facilitate implementation of the special procedures relating to administrative costs that are described below.

### **Administration Cost Caps**

In order for the Gulf Coast Workforce Board to meet local Board, state, and/or federally imposed administration cost limitations, administration cost limitations must be imposed on all contractors. These maximum administration cost limitations or caps must be met by **ALL** contractors (Career Office Contractors and other contractors as well) unless specific exemptions are negotiated and incorporated into the final executed contract.

**WIA Formula Allocated Administration** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

**WIA Statewide Alternatives** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

**Supplemental Nutrition Assistance Program (SNAP) Employment and Training** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

**TANF Choices** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

**Wagner-Peyser** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

**Child Care & Development Block Grant** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be

expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

**Trade Act** – As indicated in the Funds Tracking Summary attached to the contract. The dollar amount of administration listed is a maximum that may be expended on administration from this fund. The actual amount that may be expended may well be less and is governed by the budget negotiated with Workforce Solutions in conjunction with appropriate and consistent application of the Cost Allocation Plan.

### **Administration Costs**

The description of the administration cost category provided in Attachment 2 does not apply to Child Care funds. As noted above, the description of Child Care administrative costs is contained in Attachment 3. The following discussion only applies to allocated funds other than Child Care funds.

The description of the administration cost category that is provided in Attachment 2 is based on Workforce Investment Act (WIA) regulations at 20 C.F.R. §667.220, and TANF regulations at 45 C.F.R. §263.0. Because the statutes and regulations governing other (non-Child Care) funding streams do not define the term, for consistency this policy applies the WIA and TANF descriptions to all non-Child Care costs.

Although only some portion of the costs to be reported in the administration cost category for contractors will count against the administration cap set by the grantor agency for the board area, all administration costs in each funding stream must be reported to the Board and to the grantor agency, the Texas Workforce Commission. A later section defines and describes the costs that constitute administrative costs.

In general, the costs of administration are the allocable portion of necessary, reasonable, and allowable costs that are associated with the specifically identified functions described in Attachment 2 and that are not related to the direct provision of workforce services, including services to participants and employers. These costs for administration can be both personnel and non-personnel and both direct and indirect.

Expenditures for subrecipients or vendors that are procured solely for the performance of administrative functions, such as payroll processing, legal services, auditing, etc., are to be classified and reported in total as administrative costs. The terms “subrecipients” and “vendors” have the meaning defined in Office of Management and Budget (OMB) Circular A-133, and the State of Texas Single Audit Circular, published in Part IV of the Governor’s Uniform Grant Management Standards (UGMS).

Personnel and related non-personnel costs of staff performing both administrative functions specified in Attachment 2 and programmatic services or activities must be allocated as administrative or program costs to the benefitting cost objectives/categories. The allocation must

be based on documented distributions of actual time worked or other equitable and acceptable cost allocation methods.

Specific costs charged to an overhead or indirect cost pool that can be identified directly as a program cost are to be charged as a program cost. Documentation of such charges must be maintained. In general and to the extent possible, in order to avoid potential problems associated with inevitable questions, it is usually preferable to separate from an indirect cost pool all costs that might be considered non-administrative in nature.

### **Administration Costs of Career Office Operators**

Child Care and some non-Child Care administration costs incurred by Career Office operators do count against administration cost caps imposed by state and federal regulations. All count against administration cost caps imposed by the Board. Administration costs are limited in the negotiated budget and are limited to a maximum percentage that they may constitute of total final expenditures in each funding stream at closeout. Administration costs must be reported and tracked in the monthly Financial Reports submitted by all Career Office operators.

Administration Costs of Other Entities Including Employer Services Contractor and Financial Aid Payment Office Contractor:

Although some non-Child Care administration costs may not count against administration cost caps imposed by state and federal regulations, they do count against administration cost limitations imposed by the Board. Child Care administration costs do count against administration cost caps imposed by state and federal regulations. Administration costs are limited in the negotiated budget and are limited to a maximum percentage that they may constitute of total final expenditures at closeout. Administration costs must be reported and tracked in the monthly Financial Reports submitted by all such entities. Though some of the administration costs of these contractors may not count against the funding stream administration caps for the Board area, they must be tracked and reported separately to the Texas Workforce Commission.

### **Classification of Monitoring Costs**

With exceptions noted elsewhere for some WIA monitoring activities, monitoring costs of career office contractors are included in administration costs. Monitoring costs of non career office contractors, with exceptions noted elsewhere for some WIA monitoring activities, must be included in the administration expenses that are reported separately and may or may not be included against the administration cost cap, depending on other factors. Supervisory costs incurred for normal daily oversight and management activities are **NOT** to be reported in the monitoring cost categories for any contractor.

### **Classification of Property Management Costs**

Property management refers to activities such as receiving, tracking, assigning, taking inventory, and disposing of real property, equipment, and supplies. Property management costs are

administrative costs.

### **Classification of Costs for Preparing Reports and Documents**

The costs of preparing reports and documents to support administrative functions are administrative costs.

### **Classification of Profit**

Profit must be charged to the appropriate cost category in proportion to the allocation of costs between administrative and program cost categories as described on page II-10-14 of the United States Department of Labor's *One-Stop Comprehensive Financial Management Technical Assistance Guide* ([http://www.doleta.gov/sga/pdf/FinalTAG\\_August\\_02.pdf](http://www.doleta.gov/sga/pdf/FinalTAG_August_02.pdf)). For example, if a subcontractor that earned profit reported 8 percent of its total pre-profit expenditures as administrative costs and the remaining 92 percent of its total pre-profit expenditures as program costs, the profit that it earned would be charged between administrative and program cost categories in the same proportion as its reported pre-profit expenditures, i.e., 8 percent administration and 92 percent program.



**Outreach and Promotional Materials, Advertising, Sponsorships, Employee Apparel, and Award Ceremonies Charged to Contracts Funded through the Texas Workforce Commission - Unallowable Outreach and Promotional Materials**

Outreach and promotional materials that solely promote an organization are unallowable uses of funds awarded by H-GAC. Outreach and promotional materials solely promote an organization if the materials provide information only about that organization.

Examples of information that solely promotes an organization include any of the following, if it does not appear in conjunction with information that promotes program activities:

- Organization's logo
- Organization's name or brand name, including "Workforce Solutions"
- Organization's Web site address
- Contact information, such as addresses and phone numbers

**Outreach and Promotional Materials, Advertising, Sponsorships, Employee Apparel, and Award Ceremonies - Allowable Outreach and Promotional Materials**

Costs for outreach and promotional materials are considered public relations costs. The Uniform Grant Management Standards (UGMS) states, "public relations' includes community relations and means those activities dedicated to maintaining the image of" the organization, "or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public."

Contractors must not use contract funds for public relations costs unless such costs are:

1. specifically required by the grant award;
2. incurred for outreach efforts involving costs of communicating with the public on specific activities or accomplishments sponsored by the contract award;
3. incurred as a cost of conducting general liaison with news media and government public relations officers necessary to keep the public informed on matters of public concern; and
4. authorized by H-GAC in accordance with Workforce Solutions marketing standards and guidelines.

Contractors may not use contract funds for outreach activities unless they are:

1. necessary and reasonable for the proper and efficient performance and administration of a program that purchased the materials;
2. allocable to the contract and fund and charged in accordance with relative benefits received (e.g., costs of outreach and promotional materials promoting multiple activities must be appropriately allocated among benefiting funding streams in accordance with the relative benefit received);
3. otherwise allowable in accordance with FMGC, Chapter 8;
4. authorized by H-GAC in accordance with Workforce Solutions marketing standards and guidelines.

Contractors may not use contract funds for promotional materials without express prior approval from H-GAC.

Contractors must ensure that:

1. outreach and promotional materials promote contracted activities by clearly communicating to the public specific items or accomplishments resulting from performance of contracts; and
2. there is no ambiguity on what activity or service is being promoted.

Contractors that have unused inventories of outreach and promotional materials that do not clearly communicate specific activities or accomplishments must:

1. modify the materials to add information that promotes funded activities; and
2. ensure that future purchases include sufficient information to describe the funded activities as set forth in this policy.

Contractors may modify existing outreach and promotional materials by affixing a sticker (or for jump drives, and similar items, loading a file) that promotes specific activities or services as described above.

### **Advertising**

Contractors must be aware that UGMS defines “advertising costs” as “the costs of advertising media and corollary administrative costs.” Advertising media includes “magazines, newspapers, radio and television, direct mail, electronic or computer transmittals, and the like.”

Contractors may not spend contract funds on advertising without express prior approval from H-GAC.

Should H-GAC authorize such an expenditure, a contractor is responsible for ensuring that advertising costs are necessary, reasonable, allocable, and otherwise allowable in accordance with FMGC, Chapter 8.

### **Workforce Solutions Nondiscrimination and Equal Opportunity Provisions**

Contractors must ensure that any recruitment brochures and other materials that are ordinarily distributed or communicated in written and/or oral form, electronically and/or on paper, to staff, clients, or the public at large, to describe services or activities funded by Workforce Solutions will (1) indicate that the program or activity in question is an “equal opportunity employer/program”; (2) indicate that auxiliary aids and services are available upon request to individuals with disabilities; and (3) state the telephone number of the TDD/TTY [Telecommunications Device for the Deaf/Teletypewriter] or relay service by including the Workforce Solutions approved EO Statement.

Contractors that H-GAC authorizes to publish or broadcast information about funded activities or services in the news media must:

1. ensure that such publications and broadcasts state that the activity or service in question is governed by equal opportunity provisions(or otherwise indicate that discrimination is prohibited by Federal law), and
2. indicate that auxiliary aids and services are available upon request to individuals with disabilities.

Contractors must not communicate any information that suggests, by text or illustration, that the persons are treated differently on any prohibited grounds, except as such treatment is otherwise permitted under Federal law or regulation.

Contractors should be aware that WIA nondiscrimination and equal opportunity provisions at 29 C.F.R. §32.14:

1. Contractors must perform an annual job qualification and job description review of employees to ensure they do not “tend to exclude handicapped individuals because of their handicap, they are related to the performance of the job and are consistent with business necessity and safe performance” per 29 CFR 32.14(a). A distinction must be drawn between the review of job descriptions (i.e., position elements, duties, tasks, responsibilities) performed by HR, the Executive Director, management, and/or staff during performance reviews or for personnel action purposes (recruitment, hiring, promotion/demotion, etc.) and the review of job qualifications (i.e., skills, knowledge, abilities, education, etc.) performed by HR staff for equal opportunity (EO)/nondiscrimination purposes. Results of this review must be submitted to the Gulf Coast Workforce Board Equal Opportunity Officer by December 20 each year.
2. The Financial Aid Payment Office (FAPO) is responsible for conducting the job qualification and job description review for scholarship occupations we provide to our customers. The due date is also December 20 of each year.

Contractors should be aware that WIA nondiscrimination and equal opportunity provisions at 29 C.F.R. §37.34:

1. do not require nondiscrimination and equal opportunity information to be displayed on promotional items;
2. do cover recruitment brochures and other materials ordinarily distributed or communicated to staff, clients, or the public at large, regardless of whether such information is provided orally or in writing, and electronically or on paper; and
3. do cover program information published or broadcast in the news media.

### **Sponsorships**

Contractors must not use H-GAC contract funds for contributions and donations—including cash, property, and services—to others. Examples of contributions and donations include, but are not limited to:

1. contributions to campaigns or funds to help or assist specific causes;
2. gifts to charities and other organizations; and
3. other similar actions.

Contributions and donations to others are unallowable uses of funds.

Contractors must not use H-GAC contracted funds to pay sponsorship fees—fees paid by a contractor to cover all or part of the cost of an event produced by another organization(s), usually in exchange for public acknowledgement of funds (e.g. acknowledgement as a sponsor, recognition in an overhead projection, banner display, short presentation about program activities and accomplishments, etc. A sponsorship fee is a contribution and is unallowable.

Contractors should be aware that the prohibition against use of funds for contributions and donations does not prohibit a contractor from cost sharing in an event produced by another organization(s), provided such costs are allowable under federal and state laws and rules governing the use of the funds.

Contractors that cost share in an event produced by another organization(s) must ensure that:

1. the event is a necessary and reasonable cost for the performance of the contract or services or activities to be provided under the contract;
2. the amount of contract funds paid is commensurate with the extent that the funding streams charged do in fact benefit from the event, i.e., the amount is allocable to the charged contract and funding streams;
3. the amount paid is supported by an invoice(s) for the contractor's equitable share of actual event costs.
4. contractor has had its participation approved by H-GAC in accordance with the Workforce Solutions marketing standards and guidelines.

Contractors must be aware that the prohibition against contributions and donations does not prevent contractors from using contract funds to purchase a booth at a job fair or similar event if the purpose of the booth is to outreach customers.

### **Employee Apparel**

Contractors must ensure that employee apparel costs are:

1. necessary and reasonable for the performance of the contractor;
2. not used for goods or services that are for personal use;

3. allocable to the contract and fund(s) (e.g., costs of employee apparel promoting multiple activities or services must be appropriately allocated among benefiting funding streams in accordance with the relative benefit received).

Contractor must be aware that determinations on the allowability of employee apparel may consider such factors as:

1. whether a local procedure is in place that requires employees to wear the apparel for certain activities (e.g., job fairs, disaster-related events, youth group activities); and
2. whether publicly identifying employees' affiliation with an organization through apparel is necessary for performance of the contract(s) that funded the purchase.

Contractor should be aware that employee apparel may display an organization's logo or name without including information about specific activities or accomplishments resulting from performance of contracts, because the employees wearing the apparel will provide such information.

### **Award Ceremonies**

Contractor must be aware that the costs of award ceremonies include the costs of space, speaker fees, and plaques associated with the ceremony. Costs for award ceremonies must:

1. specifically support the contract award;
2. be necessary and reasonable for the performance of the contract; and
3. be allocable to the contract and appropriate funding streams in accordance with relative benefits received.

Examples of award ceremonies that are likely to meet these conditions include those organized:

1. for employer recognition, including:
  - employers that consistently participate in the workforce system or hire job seekers who participate in the workforce system;
  - employers who intermittently participate in the workforce system, but have assisted in partnering on specific projects; and
  - employers that have hired specific populations, like veterans or individuals with disabilities; and
2. to recognize youth who complete a specific activity(e.g., a science, technology, engineering, and math summer camp).

### **Documentation for Outreach and Promotional Activities**

Contractors must retain adequate source documentation to show:

1. the purpose or intent of an activity (e.g., apparel purchase, or promotional, advertising, or award ceremony activities);
2. how the activity is necessary to the contract award;
3. that the activity costs are reasonable;
4. what is included in the costs, for example:
  - what was included in the activity (e.g., a script or description of what was being promoted); and
  - detailed specifics (e.g., when, where, how long, etc.); and
5. when appropriate, that a “fair share” was allocated to the grant award.

### **Accrual Basis of Accounting**

Contractors must report all contract expenditures on an accrual basis. In accrual accounting, revenue is recognized when earned and expenses are recognized when incurred, i.e., economic transactions or events are recognized when they occur and not when the cash settlements for those transactions take place. Revenues and expenses are recorded during the accounting period that includes the underlying real transactions even though cash may not have been received or paid at that point. Accrued expenditures are charges incurred during a given period for goods and tangible property received and services performed that cause decreases in net financial resources, and an accrued expenditure would include those expenses incurred that have not yet been paid. Contractors must reasonably estimate accrued expenses based on what is to be paid, historical data, or some other reasonable methodology. Contractors must maintain documentation to support accrued expenses and the methodology used to determine the amount of accruals to be reported. Documentation can include actual invoices not yet paid.

### **Errors and Omissions**

If a contractor identifies an error or omission from a previous month's certified expenditure report, the contractor must include the corrected amount(s) in the current month's expenditure report under current expenditures. A contractor may not go back to a previous month to make a positive or negative correction as all such corrections must be made under current expenditures in the current month being reported.

### **Expenditure Requirements – Benchmark Minimums**

Contractors must ensure that each month's expenditures are at a reasonably acceptable level and meet the following minimum expenditure benchmarks for each month, from Month 3 to Month 9 inclusive, as applicable to funding streams contained within their individual contracts. Some variation may be allowed based on instructions from a contract manager who in response to Board or State instructions has directed a contractor to emphasize a particular area of spending. Even in such cases, however, a contractor must have a plan in place and the ability to spend all funds by the termination of the funding streams or the contract or by an earlier date if so indicated in writing by the assigned contract manager.

<b><u>Fund</u></b>	<b><u>Month 3</u></b>	<b><u>Month 9</u></b>	<b><u>Minimum Requirement</u></b>
WIA Administration	January	July	80% of amount corresponding to relative proportion of program year
WIA Adult	January	July	80% of amount corresponding to relative proportion of program year

WIA Dislocated Worker	January	July	80% of amount corresponding to relative proportion of program year
WIA Youth	January	July	80% of amount corresponding to relative proportion of program year
Child Care	January	July	90% of amount corresponding to relative proportion of program year
TANF Choices	January	July	90% of amount corresponding to relative proportion of program year
Wagner-Peyser ES	January	July	90% of amount corresponding to relative proportion of program year
SNAP E&T	January	July	90% of amount corresponding to relative proportion of program year
Trade Act Services	January	July	90% of amount corresponding to relative proportion of program year



WIA Statewide Alternative	January	July	90% of amount corresponding to relative proportion of program year
Texas Veterans Commission	December	July	95% of amount corresponding to relative proportion of program year

For any other funding streams not specifically identified above, Contractor must be on target each month to spend 100% of its contracted amount by the contract end date or by the termination date of the applicable funding stream if that occurs prior to the contract termination date.

If a contractor fails to expend funds in any month at a reasonably acceptable level, H-GAC may, through unilateral action, de-obligate funds from the contract. H-GAC may require the contractor to implement a corrective action plan.

H-GAC may also de-obligate or rescind funds from a Contractor due to a reduction of funds or a board determined need to alter priorities.

**Expenditure Requirements – WIA Maximums by June 30**

Unless otherwise agreed and specified in the Contractor’s Funds Tracking Summary, a contractor may expend by June 30 of the contract year no more than 75% of the WIA formula funds budgeted in its contract for WIA Administration, WIA Dislocated Worker, and WIA Youth.

Unless otherwise agreed and specified in the Contractor’s Funds Tracking Summary, a contractor may expend by June 30 of the contract year no more than 70% of the WIA formula funds budgeted in its contract for WIA Adult.

**New Funds Amended Into Contracts - Applicability of Expenditure Requirements**

Unless otherwise specified in writing in an applicable contract amendment, any additional funds amended into a contract become subject to minimum benchmark expenditure requirements sixty days after the amendment has been executed.

Unless otherwise specified in writing in an applicable contract amendment, any additional WIA formula funds amended into a contract are immediately subject to the June 30 maximum expenditure limitations indicated above.

**Limitation on Expenditures for Administration**

By the contract closeout, a contractor may not spend a larger proportion of administration dollars budgeted in any funding stream than the proportion of budgeted direct services funds that are actually spent in that same funding stream. For example, if only 70 percent of TANF Choices budgeted direct services funds are spent, contractor may not spend more than 70 percent of budgeted TANF Choices administration funds.

This requirement is interpreted to include in the base for calculation of compliance any funding provided to a contractor without administration dollars that is related to another funding stream and for which administration costs may be appropriately charged to that other funding stream. For example, there may be circumstance in which no administration dollars are provided with WIA Statewide Alternatives funding, but administration dollars provided in the primary WIA funding streams may be used for administrative activities associated with provision of WIA Statewide Alternatives activities.

For WIA funding streams, a contractor may not spend a larger proportion of WIA Administration dollars budgeted than it has spent as a proportion of the combined total of budgeted WIA Adult, WIA Dislocated Worker, WIA Youth, and any other WIA funds.

Specific questions as to what funds may be included under this provision should be addressed to the assigned contract manager.

### **Tracking Budgets, Expenditures and Obligations**

Contractor must establish and implement procedures for budgeting and for tracking funds, expenditures, obligations, commitments and accruals. Contractor must ensure that its financial management system complies with the essential elements outlined in current Texas Workforce Commission Financial Manual for Grants and Contracts, which can be found at [http://www.twc.state.tx.us/business/fmgc/fmgc\\_toc.html](http://www.twc.state.tx.us/business/fmgc/fmgc_toc.html).

Contractor must establish and implement procedures for budgeting and for tracking funds, including expenditures, obligations, commitments, accruals, etc., by career office as well as for all offices and/or activities combined. H-GAC may require each career office contractor to report by career office on a quarterly basis, and each career office contractor must be able to report by career office on a quarterly basis.

### **Budget Line Item Variation**

With certain restrictions, a contractor may be allowed by its contract manager a variance of plus or minus 15 percent on any budget line item without having to request and receive a contract budget amendment from H-GAC. The restrictions are that: (1) the overall budget in the contract, the overall budget in any funding stream, and the overall budget in any cost category may not be exceeded when using the variation; (2) any 15 percent variation in a line item budget is allowed only if it will have the result of being within any one cost category of any funding stream and is not permitted in circumstance where it will cause an adjustment between or among cost categories within a funding stream; (3) the variation is not permitted between or among funding streams; (4) the variation in a line item budget may never be used in any circumstance which

would result in the increase of administration costs in the line item budget, or in any funding stream, beyond what has been approved in the original contract or in any formal amendment or modification to the contract; (5) the variation should not increase any personnel line item (including benefits) or indirect line item by any amount above the approved contract budget, as amended, without specific written approval from the Contract Liaison; and (6) the variation may not be used in any circumstance that would alter the basic character of the services or activities that the contractor is required to provide according to the approved Scope of Services to the contract.. Any request for an exception to this policy must be justified by the contractor in writing to the assigned contract liaison and will require a formal amendment to the contract

**Any transfer among budget line items, regardless of amount, that will result in a significant change in the character or scope of services provided under this contract, and particularly a significant reduction or limitation in customer services, will require prior written consent of H-GAC.** Any such transfers undertaken without prior approval will be grounds for disallowance and recovery of unapproved expenditures and/or termination of a contract at the option of H-GAC.

H-GAC recognizes that some transfers between or among budget line items that are substantially different in absolute dollar size will likely cause at least one of the sending or receiving line items to vary by more than 15 percent. In such circumstances and to avoid any misunderstanding about the nature and intent of such transfers, the contractor should request specific, written approval from the assigned contract liaison.

Where required and in situations that do not violate the exceptions listed above, approvals for transfers between or among line items may be authorized via email by the assigned contract liaison.

### **Cost Allocation Plan**

Every contractor is required to have a detailed cost allocation plan in place by the beginning date of a contract with H-GAC and to have furnished an exact copy of that plan to H-GAC no later than 30 days after the first effective date of a contract. Any changes to the cost allocation plan or methodology must be furnished to H-GAC within 10 days of the date of implementation of the change by a contractor, and any changes to a cost allocation plan must be retroactive to the contract beginning date.

The cost allocation plan must present an acceptable rationale for how costs are to be allocated among the various funding streams and cost categories within each of the funding streams. It must present an acceptable rationale for how costs are allocated to a contract with H-GAC as opposed to another funding source available to a contractor. Issues such as indirect costs, pooled costs other than indirect costs, direct charging of certain costs, shared facilities costs, other expenses charged to partners, etc., must be addressed in the cost allocation plan. The cost allocation plan must contain essential elements and detail as described in the Texas Workforce Commission Financial Manual for Grants and Contracts and it must contain a written, dated certification by an appropriate official of Contractor.

## **Unpaid Accruals at Closeout**

Contractor must, as a part of the closeout package submitted to H-GAC, list all unpaid accruals at closeout. In general, all unpaid accruals must be paid within 120 days of the termination of the contract. Beginning 120 days after termination of the contract, unpaid accruals at closeout must be handled as follows:

1. All funds held by contractor to pay vendors/subrecipients must be returned to H-GAC along with a detailed description of each, including the:
  - a. Amount,
  - b. Purpose.
  - c. Date of service or product delivery for which accrual was made.
2. Contractor may choose to retain a portion of unpaid accruals for another 60 days (for up to a total of 180 days) provided a complete listing of each separate accrual is provided to H-GAC with a detailed description of each, including:
  - a. Amount,
  - b. Purpose.
  - d. Date of service or product delivery for which accrual was made.
  - e. Expected date that accrual will be paid, with an explanation of why it has not been paid to date.
3. Regardless of circumstance, all funds held by contractor to pay vendors/subrecipients must be returned to H-GAC after 180 days, along with a detailed description of each, including the:
  - f. Amount,
  - g. Purpose.
  - h. Date of service or product delivery for which accrual was made.

## **Close Out Report**

Each contractor must submit an H-GAC Contract Close Out Report according to instructions and timetables issued by H-GAC. H-GAC will not recognize any request for payment on a contract that is submitted after the deadline for submission of the Contract Close Out Report, generally forty-five days after the termination date of the contract. The Contract Close Out Report must include any Program Income earned and expended in performance of the contract.

## **Close Out of Individual Funding Streams Prior to Full Contract Closeout**

Because the contract may include funds from several different sources, some of which may expire earlier than the termination date of the full contract, H-GAC will require a Closeout Financial Report on the funding stream(s) that expire at dates earlier than the full contract. This final Closeout Financial Report for the early terminating funding stream may involve no more than a specially labeled column added to the financial report in order for contractor and for H-GAC to be able to submit a final report for all additional expenditures occurring before the expiration of the funding stream. The report with the closeout column will be due to H-GAC no later than 45 days following the termination date of the funding stream.

## **Program Income**

For all contractors other than for-profit contractors, revenues above costs earned in the performance of services under a contract with H-GAC are considered program income as described in the TWC Financial Manual for Grants and Contracts. Program income (earned and expended) must be reported each month. Contractors must keep accurate records for the use of all program income earned under the terms of the contract. Contractor must report the total amount of program income earned and used on the Contract Close Out Report.

Program Income earned by the contractor effectively increases the value of the contract by the amount of the Program Income earned (addition method). A contractor must understand and agree that any program income earned under the terms of a contract may be used solely for the furtherance of the contractor's H-GAC sponsored program(s) and program income may only be used to support the particular program that generated it. The use of program income is limited to providing assistance to individuals who are eligible for services under applicable law in the funding stream/program that generated the program income. Program Income is subject to all the requirements of law and regulation applicable to the funding stream generating it as if it were part of the originally approved contract.

A contractor must understand and agree that the contractor is liable to repay, and must repay to H-GAC upon demand, any program income earned under the terms of this Contract which has been determined through audit or investigation not to have been spent according to the provisions of this contract the TWC Financial Manual for Grants and Contracts and applicable laws, regulations, and OMB Cost Circulars.

## **Stand-In Costs**

Stand-in costs are non-federal, non-state costs that *may under certain circumstances* be substituted, or allowed to *STAND-IN*, for disallowed contract or grant costs **when certain conditions are met**. In order even to be considered as stand-in costs, the proposed stand-in costs must meet the following criteria:

- must have been allowable costs incurred under the grant, but not charged to the federal program (or any other program administered by H-GAC or the funding Agency);
- must not have been already reimbursed by any other state or federal grant;
- must have been included within the scope of the audit;
- must have been accounted for in the auditee's financial system;
- may include cash match (expenditures of the organization used as match) that **exceeds** match requirements under the grant;
- must come from the same year as the costs that were proposed to be replaced; and
- must not cause costs to exceed administrative or other cost limitations.

Stand-in costs do not include in-kind match; uncompensated overtime; unbilled premises costs associated with fully depreciated publicly owned buildings; allocated costs derived from an improper allocation methodology; or discounts, refunds or rebates.

**There can be no guarantee that proposed Stand-in costs will be allowed to replace any disallowed costs of a contractor, but unless the criteria above are met and unless the proposed Stand-in costs are reported on the Financial Report form, there is no possibility of using Stand-in costs to replace disallowed costs.**

### Advances

H-GAC may authorize contract advances or the use of cash needs projections to certain Contractors, if the legislation and the federal and/or state regulations governing the grant and/or funding stream permit their use by H-GAC and its contractors.

Payments to contractors are to be in accordance with terms and conditions of their contracts, which are typically on a reimbursement basis. Where cash flow is a problem for a contractor, H-GAC may authorize either one of two courses of action to attempt to assist a contractor.

The first and preferable method is to have the contractor once monthly project cash needs into the future with an indication of the date and time funds will be needed by the contractor in order to meet its financial obligations and simultaneously to avoid having excess cash on hand. If applicable, H-GAC will draw cash several times monthly from the funding source to coincide with cash needs of the contractor as they are reported on an additional report during the month. The expenditure report due on the ninth as indicated above must be submitted and must contain a reconciliation of expenditures to cash. In addition, once monthly, the contractor must submit an analysis of cash on hand for the previous month, and the contractor is subject to on-site review of all back-up documentation pertaining to expenditures, cash draws, and cash balances on hand. Specifics of this method will be determined in negotiation with an individual contractor. Repeated findings of excess cash on hand and/or abuse of this method for assistance to a contractor will cause H-GAC to revert back to a cost reimbursement only method and/or the imposition of the sanctions set forth in the Special Contract Provisions.

The second and least preferred method of assisting a contractor is through a cash advance. When an advance is permitted, a contractor must meet certain conditions. Those conditions are:

1. The contractor must have and must maintain sufficient financial systems to adequately account for all funds awarded and advanced.
2. As a prerequisite, the contractor must provide to the contract liaison a **written statement or letter that demonstrates or justifies a legitimate business need for advance funds**, and the contract liaison must approve **in writing** the provision of the advance.
3. The contractor must request the advance on an approved financial report form submitted to H-GAC.
4. An advance may not exceed 1/12 of the total contract amount or 1/12 of any individual funding stream included within the contract.
5. Unless specific alternative arrangements are approved **in writing** by appropriate H-GAC staff, the advance must be completely re-paid by January 31, the last day of the fourth month after the effective beginning date of October 1 of the same contract year. For contracts beginning on some other date, the advance must be completely re-paid by the 120<sup>th</sup> day after the effective beginning date of the original contract.

In every case and regardless of any exceptions made to the advance repayment deadline, the advance must be liquidated by the end of the performance period. In no case may the total cash payment to a contractor, defined as the sum of any advance(s) and any reimbursements made for expenditures under the contract, ever exceed the face value of the contract. Contractors who have demonstrated a history of excess cash on hand may be ineligible for an advance. Also, regardless of any other circumstances, H-GAC reserves the right at any time and for any reason to demand reimbursement of any outstanding advances to any contractor. A contractor requesting an advance must submit requests for an advance to coincide with immediate cash needs and must ensure that no excess cash is on deposit in the contractor's accounts or the accounts of any of its subrecipients or subcontractors. Excess cash is defined in the TWC Financial Manual for Grants and Contracts. H-GAC may unilaterally change the method of payment from advance to reimbursement if H-GAC determines that a contractor has maintained excess cash or if H-GAC identifies a material deficiency, as defined in the TWC Financial Manual for Grants and Contracts, in the cash controls or financial management system maintained by a contractor. If a contractor fails to follow the requirements for advances, the situation may result in funds being provided to that contractor through a reimbursement process only and/or the imposition of the sanctions set forth in the Special Contract Provisions.

### **Fiscal Integrity Evaluation**

Contractor must have financial processes and controls in place to safeguard H-GAC and Workforce Solutions financial resources provided to the contractor. The Board's staff or the Board's financial monitor will conduct a fiscal evaluation to determine contractor compliance with requirements contained in the federal regulations, applicable Office of Management and Budget circulars, state statutes, the Workforce Commission's directives, and Workforce Solutions policy. Based on the contract amount, the evaluation will be conducted every year or every other year prior to the final award or renewal of the contract. The evaluation may include the contractor's prior three-year financial history before an award or renewal is made. H-GAC or its representative will review how well the contractor safeguarded fixed assets and properly accounted for program income. During the evaluation, H-GAC will also review the contractor's adverse findings including sanctions, judgments, disallowed and questioned costs, audit and monitoring findings, and the contractor's actions to resolve those issues.

### **Salary Limitation**

Effective June 15, 2006, Public Law 109-234, Section 7013, contains certain limits on salary and bonus compensation for individuals who are paid in whole or in part by funds appropriated originally to the US Department of Labor, Employment and Training Administration (DOL-ETA) and provided to recipients and sub-recipients. The limitations apply to salary and bonus payments to an individual whether such salaries and bonuses are paid directly from funds appropriated originally to the DOL-ETA or are paid partly or wholly through an indirect cost plan or other cost pool arrangement that is in any part funded using such funds. The limitation has been interpreted by DOL-ETA to limit the annualized **rate** of pay, and the limitation on salaries and bonuses was set at a rate equivalent to no more than Federal Service Executive Level II, raised to \$177,000 effective January 2010. A salary table providing this rate is listed on the

Federal Office of Personnel Management Web site at  
<http://www.opm.gov/oca/09tables/html/ex.asp>.

For those whose salary and bonuses are only partially compensated with DOL-ETA funds, the limitation has been interpreted to apply as if the annualized rate of pay has been applied to that portion of the salary paid with DOL-ETA funds. For example, if 25 percent of an employee's time is attributable to work performed under grants covered by the provisions in the law, and the annual Executive Level II amount is \$177,000, no more than \$44,250 can be charged to the DOL-ETA grant funds during the year. Per cost principles contained in applicable OMB cost circulars, any excess rate of pay during that time that may not be charged to DOL-ETA grant funds also **MAY NOT** be charged to any other federal grant regardless of agency source. Other situations such as part-year salary and bonus compensation will also require a calculation adjustment to account for the fact that the limitation applies to **RATE** of pay over a 12 month period.

The limitation does not apply to benefits that are not salary and bonuses. For example, fringe benefits, insurance premiums or pension plans paid by a recipient or sub-recipient are not included in the salary limitation calculation.

### **Workforce Solutions Bonus/Merit Raise Policy**

With prior written approval from its H-GAC contract manager, Contractor may reward employees by providing performance-based bonuses and merit raises. Merit raises and bonuses must be reasonable. A cost is considered reasonable if it does not exceed that which would be incurred by a prudent person under normal conditions. The reasonableness of costs must be examined with particular care for organizations that receive the majority of their funding from federal funds. Considerations for cost must include, but are not limited to, whether:

- the cost is generally recognized as ordinary and necessary for the operation or the performance of a contract receiving federal funds,
- the individuals concerned acted with prudence in the circumstances considering their responsibilities to the H-GAC and the state and federal government, its employees, and the public at large, and
- sound business practices were a factor in establishing the cost.

Contractor must project the amount for bonuses and merit raises and establish a separate line item for the expected cost in the budget. Contractor may spend money from the bonus/merit raise line item only after its bonus/merit raise plan has been approved by its contract liaison and the contractor has met performance measures reflected in the its merit raise/ bonus plan.

H-GAC will typically establish two times or more during the contract year to review a contractor's achievement of those specified measures.

At a minimum, when establishing a bonus policy, Contractor must:



- Ensure that bonuses are reasonable in cost and are based on a percentage of the employee's base salary.
- Develop and document the policy.
- Identify positions eligible to receive bonuses and ensure that persons conducting similar work are eligible to receive bonuses.
- Inform staff in advance about the availability of bonuses and how bonuses may be earned.
- Specify how and when bonuses will be distributed (such as, quarterly, semiannually or annually).

Costs associated with bonuses and merit raises are allowable if they are reasonable and are consistent with compensation paid to other employees who perform similar work in the organization.

### **Food**

Food purchases made with Workforce Solutions funds are to be limited. Contractors are expected to exercise discretion and good judgment when making a decision to spend money for food.

Purchasing food with Workforce Solutions funds is generally not allowable. Contractors may not use Workforce Solutions funds to buy food for job fairs, open houses and routine or regular staff meetings. Contractors may not use Workforce Solutions funds to buy food for their own boards of directors, for contractor social events, or similar kinds of events, including any events where there is a social component or entertainment of any kind. Contractors may not use Workforce Solutions funds to purchase alcoholic beverages, to buy or furnish entertainment or to buy any other related items or services explicitly disallowed by applicable federal and state laws and regulations.

A contractor may use Workforce Solutions funds to purchase food on rare occasions if the purchase is necessary, reasonable, allocable to a benefiting funding stream, and allowable as a part of a work-related training event. Proper documentation of any and all such food purchases must be maintained by the contractor.

Board staff will not pre-approve expenditures for food. The Board may disallow an imprudent or unallowable expenditure that is questioned during financial monitoring or an audit.

## Travel

<b>Motor Vehicle Mileage</b>
As established by State Comptroller-currently 55.5 cents per mile
<b>Air Fair</b>
Lowest Available Rate
<b>Meals and Lodging for 2011-2012</b>
<ul style="list-style-type: none"><li>• <b>Meal and lodging reimbursement for both in and out-of-state travel will be determined using the General Services Administration federal travel rates. These rates are listed on the State of Texas Comptroller of Public Accounts website: <a href="https://fm.x.cpa.state.tx.us/fm/travel/travelrates.php">https://fm.x.cpa.state.tx.us/fm/travel/travelrates.php</a>.</b><ul style="list-style-type: none"><li>○ <b>The rate for in-state locations not specifically listed will be \$85 for lodging and \$36 for meals.</b></li><li>○ <b>For both in and out of state travel, an employee may reduce his meal claim and use the amount of this reduction to increase the maximum lodging rate.</b></li></ul></li></ul> <p><i>Reminder: The reimbursement of lodging and meals is based on <u>actual expenses</u> up to the maximum per diem allowed.</i></p>
<b>Miscellaneous Allowable Expenses</b>
<i>Car Rental (receipt required)</i> Requires justification, compact car only, actual business expense including gas
<i>Taxi (receipt required)</i> Actual business expense
<i>Parking (receipt required)</i> Requires justification, actual business expense
<i>Telephone or Internet (receipt required)</i> Requires justification, actual business expense
<i>Tolls (receipt required)</i> Actual business expense
<i>Hotel Occupancy Taxes (receipt required)</i> Actual business expense
<i>Sales and Use Taxes (receipt required)</i> Actual expense, if applicable
<i>Cancellation Charges (receipt required)</i> Requires justification, actual business expense
<b>Unallowable Miscellaneous Expenses</b>
<i>Alcohol, Entertainment, Tips and Gratuities</i>

- As a result of House Bill 605, 81st Legislature, Regular Session, the Comptroller's office will no longer publish the Texas Mileage Guide effective January 1, 2010. Employees may calculate the number of miles traveled by using their vehicle odometer reading or a mapping Web site.

**RELEVANT LINKS**

**Federal Travel Per Diem Guide**

[http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA\\_BASIC](http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC)

## **II PROPERTY**

Contractor must agree to return non-expendable personal property (equipment) to H-GAC or to the applicable funding agency as required by federal or state law/ regulations or H-GAC policies.

Contractor will purchase and manage inventory and equipment used to delivery system services as efficiently as possible. Contractor will maintain up-to-date inventory of all required items and regularly provide H-GAC with a current inventory list. Contractor will promptly notify H-GAC when any inventory item is purchased, moved or disposed of. Federal and state rules require that property must be purchased, stored and safeguarded according to specific guidelines. For guidance, please refer to the TWC Financial Manual for Grants and Contracts. It is necessary that H-GAC be able to locate all equipment/inventory for which it is responsible – which means any non-expendable equipment or real property that has been purchased by the Contractor for use in delivering services. It is also necessary for the Contractor to maintain sufficient records of purchase, use, and disposal for all equipment, including a current inventory that shows the current location of each piece of equipment.

Contractor will designate staff to be responsible for the inventory and control of all real property purchased in whole or in part with funds received under their contracts from H-GAC and in the custody of the contractor, its subcontractors, or service provider partners.

### **Buying Inventory and Equipment**

Contractor must obtain prior written approval from H-GAC before purchasing non-expendable property (including lease/purchase equipment) having a unit acquisition cost of \$5,000 or more. “Non-expendable” property with a useful life of more than one year and an acquisition cost of at least \$5,000. Contractor must use the *Request for Purchase Review* form to obtain approval.

Contractor shall use the small purchase method of procurement, described in the TWC Financial manual for Grants and Contracts, for relatively simple, informal purchases with an aggregate cost of not more than \$100,000. For purchases where aggregate costs exceed \$100,000 either of two formal advertisement methods (the sealed bid method or the competitive negotiation method) must be used, as appropriate. Aggregate purchases exceeding \$100,000 shall not be divided to fall within the small purchase limit and avoid the competitive bidding requirements. Such split purchases used to circumvent competitive bidding shall be considered flawed and all associated costs may be disallowed.

The contract liaison will review purchase requests and provide a response to a contractor within 10 working days. Contractor must be aware that certain purchases also require approval from one or more of H-GAC’s funding sources and that H-GAC approval may be contingent upon approval from the funding source or sources.

Contractor must keep all invoices for property purchases or leases and all documents which substantiate purchase in accordance with applicable procurement rules. These documents can

include price quotes, bid requests, and bids, cooperative purchasing agreements, and explanations and proposed justifications for sole source purchases. Contractor must keep records of purchases so that they may be viewed at any time by H-GAC or its grantors, representatives, or agents.

Contractor must follow procurement rules as specified in H-GAC's contract (federal management circulars, TWC Financial Manual for Grants and Contracts or other grantor specific requirements) when buying any item of inventory or equipment.

***All purchase requests must be made not less than 45 days prior to the contract end date. H-GAC will not accept requests to purchase equipment after that time.***

### **Notifying H-GAC and Tagging Equipment**

Contractor must notify H-GAC in writing immediately after buying or leasing any non-expendable property items and give the following information about each item:

- a. purchase price
- b. brand name, make, model name
- c. serial number, model number, or other identifying number
- d. purchase date
- e. physical location of item
- f. funding source and percent of funding

H-GAC will forward numbered tags for equipment or items with a unit acquisition of \$5,000 or more to Contractor's designated staff responsible for inventory. Contractor will receive a complete listing of equipment with a unit acquisition cost above and below \$5,000.

### **Inventory Management**

Contractor is responsible for maintaining complete and correct inventories of all property leased or purchased with workforce funds including property purchased by subcontractors or service provider partners. Contractor will provide H-GAC a copy of a current, complete and correct inventory at least once during each contract year, at H-GAC's request. Contractor must maintain inventory of each item of non-expendable property with an acquisition cost of \$500 or more.

Contractor is responsible for the maintenance of inventoried property in good condition and for any loss or damage. Contractor is liable to repay H-GAC for any loss or damage to grant property. Contractor must report immediately to H-GAC any theft, loss, or damage to property items. All thefts must also be reported to the local police or other law enforcement authorities, and Contractor must provide H-GAC with a copy of the police report.

Contractor must maintain insurance coverage on all non-expendable items of property purchased with funds from H-GAC workforce system contracts to protect against loss, theft, or damage. Insurance coverage documents may be kept on file at a contractor's site and must be available for

H-GAC's review. To the extent required by law, H-GAC shall be included as the loss payee on certificates of insurance issued to Contractor.

Contractor may not give any security, interest, and/or lien, or otherwise encumber any item of equipment purchased with contract funds.

### **Transferring Equipment from One Contract Location to Another**

The contract staff person responsible for initiating an equipment move must complete the top portion of the attached *H-GAC – Notice of Inventory Transfer*. A copy of the form must be forwarded to Workforce Solutions office manager or responsible contractor staff person releasing the equipment and to **Jacqueline Ray** at H-GAC. This may be done by mail, fax or e-mail.

The "Date of Anticipated Move" shown on the form must allow sufficient time for adjustments in office operations made necessary by the move (i.e., at least 3 working days after sending the notice unless both parties agree to a shorter time frame).

Unless, through discussion, office managers agree to change the date of transfer, the releasing office should be prepared to release the equipment on the indicated date.

Workforce Solutions site requesting the move is responsible for transferring the equipment to the new site. At the time the equipment is moved, the releasing manager must sign and date the *Notice of Inventory Transfer* and the person moving the equipment must initial the form to indicate receipt. The releasing manager must keep a copy and send the signed form with the equipment to the new site. This releases this site manager from responsibility for the equipment and moves the responsibility to the requesting organization.

Equipment may only be transferred from one office to another. Transferring equipment to a location other than one which is under contract and serves Workforce Solutions customers is unallowable.

When the equipment is delivered to the new site, the staff person responsible must sign and date the form, keep a copy and forward the completed form by mail or fax to H-GAC Workforce Inventory Management.

### **Disposal**

Contractor must submit a written request and obtain written permission from H-GAC prior to disposing of any property item.

Contractor may dispose of property by transfer to H-GAC, sale, or other means when the property is no longer needed for Workforce Solutions services. When no longer needed, equipment that was purchased using federal or state funds and that has a current per unit fair market value less than \$5,000 may be retained, sold, or otherwise disposed of without further

compensation to the funding source. Contractor may also dispose of property that has exceeded its useful life.

Under certain limited circumstances, H-GAC may allow transfer of Workforce Solutions property for non-workforce use.

### **Notice to H-GAC**

The *Request for Purchase Review* must be sent to a contractor's respective contract liaison at H-GAC.

Any notice of purchase, the *Notice of Inventory Transfer* and any other information to be sent to H-GAC must be directed to:

Jacqueline Ray  
Workforce Inventory Management  
Houston-Galveston Area Council  
3555 Timmons Lane, Suite 120  
P. O. Box 22777  
Houston, Texas 77227-2777  
[Jacqueline.ray@wrksolutions.com](mailto:Jacqueline.ray@wrksolutions.com)

### **Review and Sanctions**

H-GAC will conduct periodic physical inventory of all workforce system property and reviews of contractor inventory and purchase records. H-GAC will periodically check contractor and individual sites to make sure contractor inventories are complete.

H-GAC may recover funds from Contractor if procurement requirements were not met and associated costs were disallowed. H-GAC may also recover funds when Contractor fails to report stolen or lost equipment.

H-GAC may withhold payments on any invoices owed to a contractor if Contractor does not provide H-GAC with a current inventory when requested.

H-GAC may refuse to close a contract and make a final payment to if the contractor's inventory is not current and consistent with H-GAC records.

### **Questions**

Questions about inventory and equipment management may be directed to Jacqueline Ray at 713.627.3200 or [jacqueline.ray@wrksolutions.com](mailto:jacqueline.ray@wrksolutions.com).



**Request for Purchase Review**

<b>CONTRACTOR:</b> <b>Name:</b>	<b>PREPARED BY:</b> <b>Name:</b>
<b>Address:</b>	<b>Title:</b>
<b>CITY:</b>	<b>TEXAS    ZIP    DATE :</b>
<b>TELEPHONE NUMBER:</b>	

**CERTIFICATION**

1. The contractor assures compliance with the requirements of Workforce Solutions Standards and Guidelines 901 Inventory and Equipment.
2. The contractor assures that the property to be purchased:
  - is not already available;
  - will be used as described; and
  - if applicable, is compatible with Workforce Solutions equipment.
3. The contractor further assures that if the property to be purchased is to be used to provide training and/or administrative activities to support and benefit the programs.
  - such training will be for employment in jobs which have been identified as a demand occupation.
  - the costs of equipment will be expended against the program or programs receiving the percentage of benefit.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**H-GAC USE ONLY**

This is to certify that staff of the Contractor named above has been contacted and they provided verbal assurance that the Contractor complied with the requirements of Workforce Solutions Standards and Guidelines 901 Inventory and Equipment. The person contacted also assures that documentation supporting this procurement action shall be retained on file for verification purposes.

\_\_\_\_\_  
Person Contacted

\_\_\_\_\_  
Date

\_\_\_\_\_  
H-GAC Staff

\_\_\_\_\_  
Date

Comments:





**Request for Purchase Review**

<b>PROPOSED PURCHASE:</b>			
<u>ITEM DESCRIPTION</u>	<u>UAC</u>	<u>QUANTITY</u>	<u>TOTAL COST</u>
(Attach Additional Pages If Necessary)			
<b>METHOD OF PROCUREMENT</b>		<b>TOTAL:</b>	
<input type="radio"/> Small Purchase	<input type="radio"/> Competitive Negotiation (Request for Proposal [RFP])		
<input type="radio"/> Formal Advertising (Sealed Bids)	<input type="radio"/> Noncompetitive (if noncompetitive, certification letter must be attached)		
<b>ALLOCATION OF CHARGES</b>			
	<b>ADMIN</b>	<b>PROGRAM</b>	
<b>WIA</b>	0%		0%
<b>CHILD CARE</b>	0%		0%
<b>FSE&amp;T</b>	0%		0%
<b>TANF/CHOICES</b>	0%		0%
	0%		0%
<b>Other _____</b>	0%		0%
<i>Describe / identify property's use.</i>			



**Notice of Inventory Transfer**

*To be completed by manager requesting transfer*

Equipment Description: \_\_\_\_\_

Serial No.: \_\_\_\_\_ H-GAC Asset # \_\_\_\_\_

Organization initiating move: \_\_\_\_\_

Date notice sent: \_\_\_\_\_

Date of anticipated move: \_\_\_\_\_

Moving from (Site Location address): \_\_\_\_\_

\_\_\_\_\_

Moving to (Site Location Address): \_\_\_\_\_

\_\_\_\_\_

*(forward copies to H-GAC Workforce Contract Management & manager at location of equipment)*

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**To be completed at time of equipment moves**

Signature of career office manager releasing equipment \_\_\_\_\_

Initials of person moving the equipment \_\_\_\_\_

Date \_\_\_\_\_

Signature of career office manager receiving equipment \_\_\_\_\_

Date \_\_\_\_\_

*(forward copy of fully completed form to Workforce Contract Management at H-GAC)*

### **III SUBCONTRACTS**

Contractor must follow guidelines issued by H-GAC for writing subcontracts. Contractor may use its own form for a contract agreement as long as that form includes all required sections and adequately covers all other elements necessary, as described in the General Contract Provisions or in the Special Contract provisions.

H-GAC retains the right to review and approve each and every subcontract written by Contractor under this contract prior to execution of the subcontract.

Contractor will not subcontract with any corporation that is unable to certify that either it is current in state franchise taxes, pursuant to Article 2.45, Texas Business Corporation Act, or that it is a non-profit corporation. Further, prior to entering into a subcontract, Contractor shall obtain the assurance of any subcontractor that such subcontractor is current in Unemployment Insurance taxes, Payday and Child labor Law monetary obligations, and Proprietary School fees and assessments, and has no outstanding Unemployment Insurance overpayment balance.

In any request for proposals, bid solicitations, press releases, statements, and other documents describing projects or programs funded in whole or in part with federal funds, all Contractors will state the dollar amount and percentage of the total costs of the program or project to be financed with those federal funds, and the dollar amount and percentage of the total costs of the program or project to be financed by non-governmental sources.

**All contractors will include the substance of the following sections from the Special Contract Provisions in all subcontracts:**

Section 3	Compliance with Law/Order of Precedence
Section 4	Contract Obligations
Section 5	Sanctions or Remedial Measures
Section 8	Retention and Accessibility of Records
Section 12	Subcontracts
Section 14	Prevention of Fraud and Abuse
Section 15	Prevention of Conflicting Interests
Section 16	Patent Rights
Section 18	Rights in Data
Section 22	Services Provided by Charitable, Religious or Private Organizations
Section 23	Non assignment

**If the subcontractor is a governmental entity, institution of higher education, hospital or other non-profit organization, the following Articles from the General Contract Provisions also apply:**

Article 1	Legal Authority
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Article 5	Scope of Services
Article 9	Non-Funding Clause
Article 11	Repayment
Article 12	Subcontracts
Article 13	Audit
Article 16	Changes and Amendments
Article 17	Termination
Article 22	Non-Discrimination and Equal Opportunity

**If the contractor is a for-profit organization or a consultant, the following Articles from the General Contract Provisions also apply.**

Article 1	Legal Authority
Article 5	Scope of Services
Article 9	Non-Funding Clause
Article 11	Repayment
Article 12	Subcontracts
Article 13	Changes and Amendments
Article 14	Termination
Article 16	Copyrights
Article 19	Non-Discrimination and Equal Opportunity

Contractors must make timely payments to subcontractors and vendors for properly invoiced goods and services provided to or on behalf of the Contractor. Contractor must cooperate in all efforts to resolve any discrepancies or concerns with any disputed billings.

Contractor shall ensure that the performances rendered under all subcontracts are rendered so as to comply with all the terms and provisions of this Contract as if the performances rendered were rendered by the Contractor. All subcontracts are subject to applicable federal and state laws, TWC issuances, and H-GAC policies as included in the Standards and Guidelines, Issuances, correspondence or other means of communication.

#### **IV BONDING, INSURANCE AND OTHER METHODS OF SECURING FUNDS TO COVER LOSSES**

1. Contractor must obtain, prior to the receipt of funds under this Contract, and maintain, throughout the term of this Contract, a fidelity bond sufficient to cover at least 10% of the total contract amount. The contractor must ensure that a bond is executed by a corporate surety or sureties holding certificate(s) of authority to conduct business in the state of Texas. The contractor must also ensure that the company is not in receivership, bankruptcy or some other status which would jeopardize the ability to draw upon the policy. Contractor must immediately contact its contract liaison should the bond be reduced or canceled. In the event the fidelity bond is canceled or reduced, H-GAC will not make any further payments to Contractor until Contractor assures H-GAC that adequate coverage has been obtained. To the extent required by law, H-GAC shall be included as the loss payee on all bonds and certificates of insurance issued to Contractor as a result of compliance with this provision.
2. Escrow of funds may be used to secure funds provided that the funds placed in escrow require the signature of persons other than the person(s) authorized to sign Workforce Solutions contract and the funds do not lapse due to requirements for timely expenditure of funds and the provision does not conflict with any other contract provision, state rule or statute for timely expenditure of funds. The contractor must ensure that the escrow account balance is maintained to cover at least 10% of the total contract amount, that the method of securing funds has not been withdrawn, drawn upon, obligated for another purpose or is no longer valid for use as the method of security.
3. To the extent required by law, contractor must provide general liability insurance in amounts sufficient to protect Workforce Solutions equipment and facilities. H-GAC must be named as the insured party in any certificate of insurance issued to Contractor in compliance with this provision.
4. As required by the Master Contract between the Houston-Galveston Area Council and the Texas Workforce Commission, contractor must acquire and maintain "errors and omissions" insurance, or the equivalent, as well as other forms of insurance required by state or federal law or regulation.
5. Contractor shall acquire and maintain provision for workers compensation benefits in the case of a work experience or work training position in which workers compensation law applies to the customer in that position. The workers compensation benefits must be available for injuries suffered by customers in such positions. If workers compensation law does not apply to a customer in such a position, other appropriate insurance coverage must be secured for injuries suffered by a customer in the course of activity in the position.

6. To the extent required by law, contractor will obtain and maintain throughout the term of this contract any other such insurance coverage as may be required by H-GAC or the Texas Workforce Commission Financial Manual for Grants and Contracts. H-GAC shall be included as the loss payee on all certificates of insurance issued to Contractor in compliance with this provision.
7. Contractor must ensure that insurance and bonding requirement apply to any subcontracts covered by this contract.
8. Contractor must submit proof of bonding, insurance and other methods of securing funds and protecting Workforce Solutions resources to the contract liaison. Contractor is also responsible for reporting any changes in circumstances regarding the method of securing or protecting funds and resources under its control.
9. Contractor must ensure that funds which exceed the amount protected by FDIC insured accounts are protected by bank collateral securities.

## **V INFORMATION SYSTEMS**

There are multiple customer databases into which Workforce Solutions staff enter and retrieve workforce data. The accuracy and timeliness of the data being entered is essential to our customer service and contractor accountability. Contractors must ensure that these systems are connected and safeguarded from unauthorized access or use.

### **Data Entry**

Contractors are required to update customer records on the same day. On rare occasions, circumstance may require data be entered the next working day.

Data entered into any of Workforce Solutions information systems must be accurate and reliable. Every service recorded in any of Workforce Solutions information systems must reflect the date the customer began to receive the service and the date that service ended.

Contractor must monitor and review customer records for data integrity. H-GAC will report data entry deficiencies or inaccuracies to Contractor. Contractor must take steps to correct data in the time frames requested.

Contractor must ensure that:

- customer data is entered into the appropriate database and
- customers are eligible for fund(s) used to provide services
- customers are enrolled in the appropriate service prior to expending funds on their behalf

### **Security Policy**

Contractor must comply with:

- Workforce Solutions Information Security Standards and Guidelines posted on our web site and
- Workforce Solutions Issuances or Memoranda concerning this subject

All users of Workforce Solutions information systems are required to execute an Information Resources Usage Agreement annually. The signed agreement provides written acknowledgment that staff received, read, and understand Workforce Solutions security policies and procedures. Staff must also complete state on-line training for information security and fraud and abuse annually.

To control and safeguard access to these systems H-GAC requires contractors to:

- Sign the Information Resources Usage Agreement and successfully complete the state on-line training for information security and fraud and abuse. Users who do not comply will lose their rights to access the secure information sources. H-

GAC will make reasonable efforts to verify compliance before removing access rights.

- Notify H-GAC's Information and Security staff concerning access changes and revocations immediately. Notifications must be sent to H-GAC no later than the day of the change.

### **Connectivity**

Contractor is responsible for purchasing (with proper approvals and procurement) and maintaining computers and related technical software and hardware to establish and maintain connectivity with H-GAC's Workforce Solutions Wide Area Network according to H-GAC's requirements and specifications.



## **VI QUALITY ASSURANCE**

The Board will use Board staff monitors, independent monitors designated by the Board, and a regional Quality Assurance Group to review Workforce Solutions operations. This monitoring system includes:

- Desk reviews of data base records
- On-site visits to review operations and records
- Financial monitoring by Board staff or others designated by the Board to conduct financial reviews
  - Follow-up reviews when problems are identified
  - Reports of monitoring results to contractors, the Workforce Board, and area elected officials
  - H-GAC will monitor using, but not limited to the following: DOL, HHS, and other appropriate guidelines and policies; H-GAC contract requirements, Workforce Solutions Standards and Guidelines, and Issuances; TWC Workforce Letters and other policy guidance; the applicable laws and regulations; OMB circulars; and the TWC Financial Manual for Grants and Contracts.

Contractor shall participate, as requested by Board staff, in the Board's Regional Quality Assurance group. Group members will consist of staff from career office, employer service, payment office and other contractor staff. The group will perform full monitoring reviews of Workforce Solutions operations.

### **Internal Monitoring**

Contractor will submit a risk assessment to the contract liaison for each office operated by the date specified by that liaison. Contractor will also submit an internal monitoring plan to address the following areas and a schedule for self monitoring.

- Compliance with laws, regulations, contracts, standards and guidelines
- Fraud and abuse policy
- Complaint policy
- Electronic files and paper files use and retention
- EEO and program accessibility, reasonable accommodation and maintenance of sensitive (e.g., medical information) retained in customer records

Contractor shall monitor according to the schedule agreed by the contractor and the contract liaison and submit reports on self-monitoring visits to the contract liaison within 30 days of the monitoring.

### **Desk/Site Reviews**

Board and Regional Quality Assurance staff may require contractor to provide records prior to a monitoring visit. Monitors will hold an entrance conference to discuss the scope of the review and an exit conference to summarize the findings of the review.

### **Policy on Repeat Findings**

The Gulf Coast Workforce Board expects its contractors to deliver quality service while meeting the Board's franchise and contract requirements. When independent auditor, Board, or Regional Quality Assurance Group reviews identify findings of non-compliance, the Board expects its contractors to resolve those findings and correct problems promptly within the requested timeframe.

The Board may levy sanctions against a contractor when there is a repeat finding of non-compliance or when an initial finding is so severe that the Board staff and/or the Audit and Monitoring Committee has reasonable concerns regarding the contractor's compliance with program requirements or its financial stability. Sanctions may include any of the options available under the Board's contract, including contract termination.

### **Monitoring reports**

Contractor will be provided a monitoring report from H-GAC staff, Financial Monitoring Contractors or the Regional Quality Assurance Group within 30 days of a site visit.

### **Resolution Process**

1. After receiving a monitoring report, Contractor will provide a written response to the contract liaison as required in the report.
2. The contract liaison will respond to Contractor within 15 working days of receipt of the contractor's response to the initial report and may request additional information or discussion with Contractor before resolving issues.
3. Monitoring staff may follow-up to ensure that appropriate corrective actions, if applicable, have been taken by Contractor.

## **VII CUSTOMER COMPLAINTS**

Contractor will make sure that Workforce Solutions complaint poster is posted in every office in clear and open view of public traffic. Anyone may initiate a written complaint for any reason any time he or she is dissatisfied with Workforce Solutions services. If the complaint originates in or with a career office, the appropriate office manager must attempt to resolve the complaint before Board staff become involved and attempt to resolve it.

Any staff of Workforce Solutions must provide the Workforce Solutions complaint form to a complainant. The complainant may also forward a complaint without using complaint form (such as in a letter). The Board's process for addressing the complaint is the same whether it is on a complaint form or has been entered in some other form such as a letter. In addition, a complainant may discuss a problem with any Board staff without being required to file a written complaint.

Complaints will generally fall into one of the following categories:

1. Poor customer service
2. Equal Employment Opportunity Act including accessibility complaints
3. Denial, reduction or termination of a service.

**The following process will be used for customer service complaints that do not contain any allegation or indication of violation of rights under the law.**

- 1) The Board's customer service representative will take complaints by telephone from any member of the public. If the customer service representative is unavailable any Board staff member will be able to listen to a customer complaint. Customers will not be asked to call back. In all of the following steps any Board staff person may substitute for the customer service representative when necessary. Written complaints will be sent to the customer service representative as directed on the form. Complaints may also originate at [www.wrksolutions.com](http://www.wrksolutions.com) (Contact Us, Ask Workforce Solutions).
- 2) The customer service representative will ask the complainant if he spoke to the office manager.
- 3) The customer service representative will suggest that the manager may be able to satisfy the complaint. The customer service representative will give the complainant the name and number of the office manager unless the customer insists that he wants to make the complaint to the Board staff immediately or has already spoken to the manager.
- 4) The customer service representative will send an email to the manager and other appropriate contractor staff to inform them of the complainant 's name, the nature of the complaint, and any contact information. The customer service representative may

also call the manager if she feels it would be helpful to talk to him or her before the complainant reaches the manager.

- 5) If the complainant prefers not to call the manager, the customer service representative will email the representative person designated by each contractor (listed on the last page of this process) asking that individual to respond to the complainant. The customer service representative will forward a copy to the manager of the involved office.
- 6) The customer service representative will log each complaint and ask that offices/contractors let her know by email when and how the complaint has been resolved. If the complainant files the complaint in writing the Board staff will ask the office/contractor to send the customer service representative the Contractor Complaint Response.
- 7) The complaint will be logged in the complaint log maintained by the designated person in Workforce Solutions office involved. All complaint logs will be submitted to the Gulf Coast Workforce Board Equal Opportunity Officer annually, the date to be determined by the Texas Workforce Commission.
- 8) The customer service representative's role is to encourage the complainant and office/contractor to communicate and resolve the issues. The customer service representative is not responsible for resolution.
- 9) If the complaint is resolved to the complainant's satisfaction a summary of the resolution is filed in the complaint file and noted "resolved" in the office complaint log.
- 10) If the complainant indicates that she wants to make a formal complaint the complaint form will be mailed or emailed to the customer. The form may also be downloaded from <http://www.wrksolutions.com>.
- 11) Contractor must respond to all written complaints by forwarding the Contractor Complaints Response form to Board staff within 10 calendar days after receiving the complaint.
- 12) H-GAC will continue to work with the office/contractor to resolve the complaint. A letter will be sent to the complainant from Workforce Solutions, the Contractor in response to all written complaints about customer service. The Contractor and the Board customer service representative will each have a copy of the letter. This letter will be the final resolution of the complaint.

**The following process will be used for complaints that indicate an alleged or possible violation of Accessibility/Equal Opportunity laws.**

- 1) The complainant may complete, sign, and date Workforce Solutions complaint form and send it to the customer service representative, or provide the information to the customer service representative in another format, such as a letter. The Board has to receive complaints alleging a violation of the law in writing. The customer service representative will give a copy of the complaint to the Board staff's EO officer and to the contractor office manager and EO representative within 2 working days after she receives the written complaint.
- 2) The customer service representative will log the complaint into the Board complaint log.

- 3) The contractor will log the complaint into the complaint log.
- 4) The Board's EO officer will determine jurisdiction, timelines for processing and if the respondent is a recipient of WIA funds or participates in the one stop service delivery system.
- 5) The EO officer will notify the complainant in writing in 5 business days as to the next steps. If the board has no jurisdiction, the EO officer will direct the customer to the CRC where the customer can file the complaint within 30 days of the board's notice. If the board has jurisdiction, the letter will explain the customer's right to representation, a list of the issues in the complaint and the board's stand on each issue with an explanation of any item rejected by the board. The customer is offer Alternative Dispute Resolution (ADR) in lieu of complaint processing procedures.
- 6) If ADR is selected, it shall be completed within 40 days of the initial written notice.
- 7) If ADR is not selected or if it is unsuccessful, the EO officer commences fact finding and completes it within 45 days of the written notice.
- 8) A Notice of Final Action is provided to the complainant within 90 days from the date the complaint was filed.

**The following process will be used for complaints that state an alleged or possible denial of service to which a customer is, or believes he/she is, entitled under the law.**

- 1) The complainant may complete, sign, and date Workforce Solutions complaint form and send it to the customer service representative, or provide the information to the customer service representative in another format, such as a letter. The Board has to receive complaints alleging a violation of the law in writing. The customer service representative will give a copy of the complaint to the Board EO officer, and to the contractor office manager and EO representative within 3 working days after she receives the written complaint. Anyone may complain directly to any State or Federal agency.
- 2) The customer service representative will log the complaint into the Board complaint log.
- 3) The contractor will log the complaint into the office customer complaint log.
- 4) Complainants who have not spoken to office managers or designated contractor personnel will be encouraged to do so. A complainant may be offered the opportunity to meet with the contractor's EO officer and involved staff. If the complaint is handled in this manner, the contractor will send a letter to the complainant stating the resolution. A copy of this letter must be sent to the Board EO officer.
- 5) The letter from the contractor must offer the complainant the opportunity for a formal hearing with the Board EO officer if the customer finds the resolution unsatisfactory in its implementation. The letter will give the same contact information as the Workforce Solutions Complaint Form.
- 6) Both logs will show the complaint resolved.
- 7) If the complaint has not been resolved in 10 working days the Board EO officer will offer the complainant the opportunity to attend a hearing. The Board EO office will give the offer for a hearing to the customer by mail or telephone within 3 working days after the 10<sup>th</sup> working or calendar day on which the Board staff received the

complaint. The complainant has 5 working days to respond to a written offer of a hearing. The complainant may respond in writing or by telephone.

- 8) The Board EO officer or designee will have 5 working days from the customer's request to schedule a hearing. The hearing date will be no later than 30 calendar days after the request.
- 9) The Board EO officer will send Notice of the hearing to interested parties.
- 10) The Board EO officer will select an impartial hearing officer. The Board EO officer will mail a written copy of the resolution to interested parties no later than 10 calendar days following the hearing.



### **Customer Service Complaint**

Workforce Solutions is here to help you find a job. We will make every effort to provide you with useful, easy-to-access services that will contribute to a successful job search or career transition. We hope that you will use Workforce Solutions throughout your working life.

*In the event that you decide to file a complaint, please give Workforce Solutions office manager the opportunity to discuss your complaint and attempt to satisfy you.*

If you are still dissatisfied with our service, please complete the attached form and forward it to the address below. You may also speak to someone directly about your complaint at the telephone number listed below.

Workforce Solutions has a procedure in place to assure that your rights under the law have not been violated if the attached complaint alleges discrimination or the denial of services to which you are entitled. You must sign, date and forward the form to the address below to begin that process.

Workforce Solutions  
Customer Service Representative  
Attn: Vicki Ordonez  
P.O. Box 22777  
Houston, TX 77227-2777

By Phone: Vicki Ordonez at 713.627.3200  
Email: [Victoria.ordonez@h-gac.com](mailto:Victoria.ordonez@h-gac.com)

In accordance with 29 CFR 37.39 (b), all records regarding complaints and actions taken on complaints must be maintained for a period of three years from the date of resolution of the complaint.

At any point in the investigation of a complaint, the customer, respondent, The Board's EO officer, or the state-level EO Officer may request that the parties attempt conciliation. The state-level EO Officer may act to facilitate a resolution.

*Staff are available to assist in completing the complaint form.*

**Workforce Solutions**

## **VIII FACILITIES**

### **Moving facilities**

Contractor must justify a move from the current location to another one by demonstrating necessity and benefit to customers. Contractor must submit a proposal to move an office to its contract liaison or other designated staff at least 120 days prior to the planned move date. (See Workforce Solutions System Operational Standard and Guideline 204 regarding Office Location Changes.)

Design of Workforce Solutions career offices

- H-GAC retains the right to approve design and layout for local career offices to ensure facilities provide maximum benefit for customers and contain uniform Workforce Solutions design elements.

Hours of operation for Workforce Solutions facilities

- Normal hours of operations
- Extended hours (insert requirements for early/late opening/closing times, weekend openings)
- Holiday schedules
- Unscheduled closings (inclement weather/local emergencies/disaster)

Locating staff

- H-GAC may direct Contractor to locate staff from other Workforce Solutions contractors, federal or state grantor agencies, or organizations required as partners in its Workforce Solutions facilities.
- H-GAC will negotiate facility budgets as a part of contracts to allow sufficient funds to support locating non-Contractor staff in facilities.

### **Resource Room Equipment**

Contractor is responsible for purchasing (with proper approvals and procurement) and maintaining computers and related technical software and hardware to meet requirements in the management information systems established in Workforce Solutions Standards and Guidelines for client access to specified information and services in the Resource Room at each career office. H-GAC will provide technical assistance and general information. Installation, updating, ongoing maintenance, and continued connectivity to required systems are the responsibility of the Contractor, either through having staff assigned for that purpose or through contracting for the technical expertise to achieve that purpose.



## **IX CERTIFICATIONS**

### **EXHIBIT A - Part A**

#### **CERTIFICATIONS REGARDING LOBBYING, DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS, AND DRUG-FREE WORKPLACE REQUIREMENTS**

Lobbying: This certification is required by the Federal Regulations, implementing Section 1352 of the Program Fraud and Civil Remedies Act, Title 31 U.S. Code, for the Department of Agriculture (7 CFR Part 3018), Department of Labor (29 CFR Part 93), Department of Education (34 CFR Part 82), Department of Health and Human Services (45 CFR Part 93).

The Contractor executing this contract certifies that:

- (1) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan or cooperative agreement.
- (2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Debarment, Suspension, and Other Responsibility Matters: This certification is required by the Federal Regulations, implementing Executive Order 12549, Government-wide Debarment and Suspension, for the Department of Agriculture (7 CFR Part 3017), Department of Labor (29 CFR Part 98), Department of Education (34 CFR Parts 85, 668 and 682), Department of Health and Human Services (45 CFR Part 76).

The Contractor executing this contract certifies that neither it nor its principals:

- (1) Are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency.
- (2) Have not within a three-year period preceding this contract been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or Local) transaction or contract under a public transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity with commission of any of the offenses enumerated in Paragraph (2) of this certification; and,
- (4) Have not within a three-year period preceding this contract had one or more public transactions terminated for cause or default.

Where the prospective recipient of federal assistance funds is unable to certify to any of the statements in this certification, such prospective recipient shall attach an explanation to this certification.

Drug-Free Workplace: This certification is required by the Federal Regulations, implementing Sections 5151-5160 of the Drug-Free Workplace Act, 41 U.S.C. 701; for the Department of Agriculture (7 CFR Part 3017), Department of Labor (29 CFR Part 98), Department of Education (34 CFR Parts 85, 668 and 682), and Department of Health and Human Services (45 CFR Part 76).

The Contractor executing this contract certifies that it shall provide a drug-free workplace by:

- (a) Publishing a policy statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the workplace and specifying the consequences of any such action by an employee;
- (b) Establishing an ongoing drug-free awareness program to inform employees of the dangers of drug abuse in the workplace, the Contractor's policy of maintaining a drug-free workplace, the availability of counseling, rehabilitation and employee assistance programs, and the penalties that may be imposed on employees for drug abuse violations in the workplace;
- (c) Providing each employee with a copy of the Contractor's policy statement;
- (d) Notifying the employees in the Contractor's policy statement that as a condition of employment under this contract, employees shall abide by the terms of the policy

statement and notifying the Contractor in writing within five days after any conviction for a violation by the employee of a criminal drug statute in the workplace;

- (e) Notifying the Commission within ten days of Contractor's receipt of a notice of a conviction of an employee; and,
- (f) Taking appropriate personnel action against an employee convicted of violating a criminal drug statute or require such employee to participate in a drug abuse assistance or rehabilitation program.

These certifications are a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction.

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**EXHIBIT A - Part B**  
**TEXAS CORPORATE FRANCHISE TAX CERTIFICATION**

Pursuant to Article 2.45, Texas Business Corporation Act, state agencies may not contract with for profit corporations that are delinquent in making state franchise tax payments. The following certification that the corporation making this contract is current in its franchise taxes must be signed by the individual authorized on Form 2031, Corporate Board of Directors Resolution, to sign the contract for the corporation.

The contractor executing this contract certifies that the following statement is true and correct and that the Contractor understands making a false statement is a material breach of contract and is grounds for contract cancellation.

\_\_\_\_\_ Not applicable. Contractor is not a corporation.

Indicate the certification that applies to your corporation:

\_\_\_\_\_ The corporation is a for-profit corporation and certifies that it is not delinquent in its franchise tax payments to the State of Texas.

\_\_\_\_\_ The corporation is a non-profit corporation or is otherwise not subject to payment of franchise taxes to the State of Texas.

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**EXHIBIT A - Part C**  
**STATE ASSESSMENT CERTIFICATION**

The authorized representative of the corporation contracting herein by executing this contract certifies that the following indicated statement is true and correct and that the undersigned understands making a false statement is a material breach of contract and is grounds for contract cancellation.

The corporation certifies that:

\_\_\_\_\_ It is current in Unemployment Insurance taxes, Payday and Child Labor law monetary obligations, and Proprietary School fees and assessments payable to the State of Texas.

\_\_\_\_\_ It has no outstanding Unemployment Insurance overpayment balance payable to the State of Texas.