WORKFORCE INVESTMENT BOARD OF TULARE COUNTY

WIB
Workforce Investment Board
OF TULARE COUNTY
Driving Economic Success

CONTRACT MANAGEMENT GUIDE

309 West Main, Suite 120
Visalia, California 93291
# Table of Contents

1.1 ROLES AND RESPONSIBILITIES OF THE WIB OPERATIONS STAFF

1.1.1 Liaison
1.1.2 Funding Sources Requirements Coordination
1.1.3 Contract Status and Performance Measures
1.1.4 Staff Assistance Visits
1.1.5 Technical Assistance
1.1.5.1 Direct Technical Assistance
1.1.5.2 Workshop Series
1.1.5.3 New Service Providers’ Orientation

1.2 CONTRACTED AGREEMENTS

1.2.1 Contract Types
1.2.1.1 Contract
1.2.1.2 Professional Service Agreement
1.2.2 Contract Modifications
1.2.3 Modification Limitations
1.2.4 Modification Types
1.2.5 Subcontracts
1.2.6 Compliance

1.3 PERFORMANCE REVIEW AND EVALUATION

1.3.1 On-Site Visits
1.3.2 Monthly Performance Review
1.3.3 Administrative Program Standards
1.3.4 Performance Evaluation Process

1.4 REPORTING FRAUD AND ABUSE

1.4.1 Service Provider Responsibilities
1.4.2 Reporting Procedures

---

Approved on: 5/7/14
By: [Signature]
CONTRACT ADMINISTRATION

1.1 ROLES AND RESPONSIBILITIES OF THE WIB OPERATIONS STAFF

The primary role of the WIB Operations Staff is to serve as the WIB representative in the negotiation, development, management, fiscal tracking, and closeout of contractual agreements with all Service Providers. The WIB Operations Staff will closely monitor the financial and programmatic performance of Service Providers to ensure that high quality services are delivered to achieve established performance outcomes. The structure of the program design is evaluated against the goals of the grant, the contract and the mission of the WIB. The WIB Operations Staff and Service Provider work together to plan, execute, and report on the management and overall attainment of objectives for the awarded funds.

1.1.1 Liaison

The WIB Operations Staff is the link between the WIB and the Service Providers. All questions, concerns, requests for modifications, changes, or extensions related to contractual agreements must be communicated to the WIB Operations Staff. The WIB Operations Staff and the Service Provider shall ensure that all aspects both programmatic and financial of contractual agreements are reasonable and directly related.

1.1.2 Funding Sources Requirements Coordination

The WIB Operations Staff will assist the Service Provider in understanding how contractual provisions translate into goals and objectives set forth by the Governor and the WIB’s strategic plans and annual goals for the Workforce Investment Act (WIA), Competitive Grants and other applicable funding sources. The program design and the Service Provider’s contract have been developed to tie in with and support these objectives, with strategic operational and financial targets in mind.

1.1.3 Contract Status and Performance Measures

The WIB Operations Staff shall conduct monthly performance and financial reviews for each assigned contract utilizing client information entered into the Employment Connection’s Virtual One-Stop (VOS) and financial data recorded in the accounting system and distributed through General Ledger reports. Actual performance data is compared to contract plan performance to determine status. Financial budgets are compared to monthly expenditures for year-end forecasts. Low performance results or financial variance to budget will prompt the WIB Operations Staff to issue a request for corrective action plan(s) from the Service Provider.
1.1.4 **Staff Assistance Visits**

The WIB Operations Staff will make monthly on-site visits to each Service Provider to discuss program progress and to provide technical assistance. The Service Provider is responsible for completing a monthly performance and financial report utilizing the WIB developed format. The performance report will be reviewed at the monthly staff assistance meeting. Biannual visits from the WIB Monitoring Unit as well as annual visits from federal and state fiscal and program monitors are also to be expected.

1.1.5 **Technical Assistance**

The WIB maintains a formal technical assistance (TA) program for Service Providers, in addition to the one-to-one assistance offered by the WIB Operations Staff and/or other WIB staff.

The WIB provides on-going TA designed to assist Service Providers in meeting their contract performance objectives and to ensure compliance with the WIB, State, and Federal regulations. Financial compliance is an additional area that requires periodic training and updates.

Technical Assistance provided by the WIB Operations Staff includes the following three components: Direct TA, TA Training Workshops, and WIB Orientation for new Service Providers.

1.1.5.1 **Direct TA**

The WIB Operations Staff shall provide ongoing TA to Service Providers. The WIB Operations Staff will assess the TA needs based on previous experience, past performance, and Service Provider needs. Based on assessment outcomes, the WIB Operations Staff shall establish a development plan that identifies necessary TA areas (e.g. eligibility, invoice preparation, file preparation, data entry, etc.) for each Service Provider. In addition to identifying TA needs, the WIB Operations Staff will analyze trends to determine root causes of recurring operational and financial issues and recommend system process improvements and/or best practices to remedy the problem. Also, arrangements will be made for specialized subject matter TA to be provided by other WIB staff (i.e. Finance), as needed.

1.1.5.2 **Training Workshops**

The WIB staff and/or outside consultants conduct workshops with the intent to improve the quality of services delivered to our customers by building the capacity of our Service Providers.
1.1.5.3 **New Service Providers’ Orientation**

WIB staff shall orient all new Service Providers to WIB operations. The orientation includes training on organizational structure, documentation requirements, VOS data entry, financial management reporting, and other applicable topics. Assistance in these topics may be requested through the WIB Operations Staff at any time.

1.2 **CONTRACTED AGREEMENTS**

1.2.1 **Contract types**

Two types of contracts exist to establish a mutual agreement between the WIB and Service Provider: Contracts and Professional Service Agreements. The WIB maintains general provisions that are included and/or referenced in all contractual agreements.

1.2.1.1 **Contract**

Contracts are used as an agreement between the WIB and the Service Provider serving participants within a specified grant-training program. A contract covers all aspects of the programmatic and fiscal performance as specified and regulated by the grant used to fund the contract.

1.2.1.2 **Professional Service Agreement**

Professional Service Agreements (PSA) are normally for, but not limited to, internal functions of the organization that are outsourced to other organizations that are more suitable for the function. The documentation of financial arrangements made by the Service Provider through PSAs may be required if costs are included in the budget for reimbursement. Professional services must be procured through a documented and competitive process that is consistent with WIB Procurement Policy.

1.2.2 **Contract Modifications**

Contract terms are determined during the Request for Proposal/Negotiation process and may be changed only through a contract modification. Contract modifications are used to address program or financial revisions, and are reserved for extreme variations in the program design, scope of work or expenditure trends. The Service Provider must work with WIB staff during the negotiation phase to properly plan their performance outcomes. The WIB may recommend contract modification for financial or programmatic reasons at any time.
1.2.3 Modification Limitations

Contract modifications cannot be used to bring a Service Provider’s programmatic or financial performance into compliance. As stated previously, Service Providers should work with WIB staff during the negotiation phase to properly plan their performance outcomes. A contract modification is not a tool to administer changes due to poor planning or performance.

Retroactive changes in programmatic or financial performance outcomes are not allowed due to the liability implications, for the WIB and/or the Service Provider, when work is performed or reimbursed without a valid contract or modification. Only when necessary to comply with a change in state or federal regulations will retroactive changes be considered.

All expenditures are planned with a contractual obligation of 100% funds being expended, and invoices are tracked toward final expenses of no more than 100%. If contract expenditures are over 100% by line item, the Service Provider may submit a request for cost reimbursement of un-planned expenses to the WIB Operations Staff, documenting reasons for the overage, the impact of the costs on the contract program and financial performance, and a statement if any additional expenses are likely to be incurred. Service Provider requests for unplanned expense reimbursement or program modification will be reviewed by WIB Operations Staff and a recommendation made to the WIB Executive Director. The review is done on a case-by-case basis, and cost reimbursement is not automatically granted.

The WIB Operations Staff will notify the Service Provider in writing whether the request is approved or denied. The WIB Operations Staff’s response is required in the event of any written contractual and/or programmatic change requests, including financial reporting of more or less than 100% on invoices.

1.2.4 Modification Types

All modification requests must be in writing and, regardless of the type of modification and shall be placed in the active contract file. Contract modifications are not retroactive.

Modification is any modification to a contract, which requires authorized signature of both the Service Provider and the WIB. Most modifications require Workforce Investment Board (WIB) approval; however, there are certain modifications that can be approved by the WIB Executive Director.

Budget modification requests must be submitted to the Operations Staff on the WIB Budget Modification form and be signed by the Service Provider staff with contract signature authority.
Instances that **require WIB Board approval** include, but are not limited to:

- Change in the scope of work.
- Increase or decrease of any funding source greater than 5% of total allocation.
- Change in performance outcomes.

Instances that require a modification with the approval of the WIB Executive Director, **without WIB Board approval**, include, but are not limited to the following:

- Increase or decrease of any funding source of 5% or less of total allocation.
- Transfers of funds from Participant costs to Nonparticipant costs within the same funding stream.
- Transfers within budget lines greater than 10% within the same funding stream.
- WIB staff may make typographical and/or grammatical errors within the contract.
- Shifting of performance outcomes from one month to another within the specified period of performance.
- Any other appropriate administrative action short of contract termination.

**Note:** The resulting amount must not exceed the maximum allowable for the Operating/Administration cost category. All budget modifications must be found allowable, reasonable, and in the best interest of the program. Both the Service Provider and the WIB Board and WIB Executive Director must sign the modifications before the modification is effective.

### 1.2.5 Subcontracts

A Service Provider intending to subcontract a portion of its contract must have prior **written approval** from the WIB. Written subcontracts for any work or services subassigned must be provided to the WIB with the written request for approval of the subcontract, and must be kept on file by the contractor. All subcontracts must be formalized through written contracts that specify services to be provided and include itemized budgets, as well as any appropriate performance expectations. A complete copy of all subcontracts with appropriate signatures must be on file with the WIB. Subcontracts must be procured through a documented and competitive process that is consistent with WIB Procurement Policy. The Service Provider shall monitor all subcontractors to ensure compliance. This will be an item of review during monitoring visits.
The WIB, State, and/or its DOL representatives, shall have the right to monitor and review all subcontracts issued under this agreement with or without prior notice to the service provider.

1.2.6 **Compliance**

All Service providers are required to submit a signed statement that they have received a copy of the WIB Contract, and will operate in compliance with all applicable portions.

The Service Provider contract outlines the applicable financial, accounting and reporting requirements. Review of these requirements does not limit liability in terms of compliance with governmental regulations, as contractors are responsible to follow any and all other regulations or stipulations set forth by the grant, program or governing agency. Office of Management and Budget (OMB) Circulars A-21, A-87, and A-122, as well as the applicable Code of Federal Regulations (CFR) establish the cost principles for the various organization types and conform to “Generally Accepted Accounting Principles” (GAAP). The central theme of GAAP is accountability and is intended to provide minimum standards, guidelines, and policy for financial accounting and reporting.

1.3 **PERFORMANCE REVIEW AND EVALUATION**

The WIB Operations Staff is available to provide technical assistance and to make visits to each Service Provider. Additionally, the WIB Operations Staff is responsible for preparing all performance evaluation reports provided to the WIB. All compliance and monitoring reports are prepared by the WIB’s monitoring unit.

1.3.1 **On-Site Visits**

Program performance will be analyzed and evaluated by the WIB Operations Staff. The on-site visit may include reviewing key program components such as intake, eligibility certification, objective assessment, participant training, performance outcomes, service to target groups, and achievement of performance outcomes.

1.3.2 **Monthly Performance Review**

The WIB Operations Staff is responsible for preparing a monthly program and financial performance report for each assigned contract, including conducting an analysis to identify weaknesses that may result in non-performance of contractual programmatic and financial goals. Based on the Service Provider’s non-performance, the WIB Operations Staff is to provide recommendations to resolve the challenges. As a basis for this report, a variety of data reports may be generated.
1.3.3 Administrative Program Standards

The WIB Operations Staff is responsible for ensuring that the WIB administrative standards for effective contract administration are implemented, including prompt updating of Service Provider mailing list(s), contract modification requests, closeout package requests, and other contract-related requests.

1.3.4 Performance Evaluation Process

The WIB Operations Staff and the WIB Program Committee are responsible for review of the Service Provider’s actual performance against the plan. The review may be performed annually or more frequently when necessary through the WIB’s performance evaluation process, and includes financial and programmatic components.

The Service Provider is advised when an evaluation will be made, and evaluation data that will be presented to the WIB Program Committee. Based on the results of the performance evaluation, the Program Committee may make recommendations to the WIB to increase/decrease funding levels and/or terminate a contract, or renew a contract.

1.4 REPORTING FRAUD AND ABUSE

1.4.1 Service Provider Responsibilities

Each Service Provider shall establish and implement appropriate internal program management procedures to prevent fraud, abuse, and criminal activity. These procedures include a reporting process to insure that the WIB is notified immediately (i.e., within 24 hours) of any allegations of fraud, abuse, and/or criminal activity committed by staff or program participants of any programs funded by the WIB. The procedures shall also include the designation of a person on staff who will be responsible for such notification.

1.4.2 Reporting Procedures

WIB Directive Tul 13-03, Incident Reporting provides detailed procedures for reporting fraud and abuse, along with a glossary of terms, for use as a guide in the identification of fraud, abuse, and criminal activity.

Tul 13-03 provides information on the use of the Department of Labor/Office of the Inspector General’s (DOL/OIG) Hotline, to allow employees and the public to notify DOL/OIG of suspected fraud, abuse, or waste in DOL-funded programs. The Hotline telephone number is (800) 347-3756.