

ATTACHMENT H

**Office of Vocational Rehabilitation
IFB Terms and Conditions**

Name of Contractor - _____

Address - _____

I. PURPOSE

The purpose of this Contract, is described in the Statement of Work. No aspect of the Contract, or its referenced attachments may be changed, modified, or otherwise amended unless they have been reduced to writing, signed by all parties and affixed to this Contract. This specifically pertains to changes in Contract scope, timeframe covered by this Contract, budget (overall total Contract amount as well as individually identified line item amounts set forth through the budget for the purpose of completing the audit), or any other special considerations, conditions, or agreements.

Any Contract or program information released by the Contractor must identify the Office of Vocational Rehabilitation (“OVR”) as a funding source, and a copy of the release must be forwarded to the Contractor and Grantee Services Division, OVR Central Office.

OVR shall monitor and evaluate the program, the financial operation of this project, and any subcontracts.

Contractor shall notify all subcontractors of their responsibility to adhere to these requirements, conduct compliance reviews at reasonable times to insure adherence to all civil rights and discrimination laws and other applicable provisions of this project, and notify OVR of any violations or suspected violations.

II. STAFF REQUIRED FOR CONTRACT

The Contractor certifies that it shall be adequately staffed with personnel qualified to carry out the Contract, and that funds for staffing may be utilized only during the term of the Contract.

Direct salary charges for Contract staff must be supported by time/activity reports (Staff Certification Forms) completed by each employee and verified by his/her supervisor.

Staff Certification Forms must be completed monthly, submitted with the Quarterly Report and must reflect the total time the employee spent on Contract supported activities, as well as any changes in assignment. All Contract-related activities and the number of hours spent accomplishing these activities must be described on the Staff Certification Form.

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Salaries for Contract staff shall be based upon the Contractor's established salary and wage scales for comparable positions ("classifications"). General raises may also be extended to the Contract staff; however, Contract monies may only be used to fund such raises if the raises have been included in the Contractor's budget.

III. BUILDING AND FACILITY

Contract funds may not be used to finance building expansion.

IV. EQUIPMENT

The Contractor shall be adequately prepared to carry out the funded Contract. The Contractor certifies that equipment requested for its use in administering this Contract is not already on hand and is required for the operation of the Contract.

All purchases (including, but not limited to, equipment) made by the Contractor with a cost of \$5,000 or more per individual item shall be competitively bid. The Contractor shall request written bids from at least three vendors, which include a description of the equipment and price quote. The lowest responsible bid shall be accepted. A responsible bid is defined as a bid which conforms in all material respects to the requirements and criteria in the information to bid.

If a competitive bid is not possible, the Contractor shall provide OVR with a written explanation of the circumstances that preclude a competitive bid and request sole source approval for the proposed purchase. Written OVR approval of the sole source justification must pre-date expenditure of Contract funds.

V. EQUIPMENT TITLE

OVR shall hold first lien on all equipment, with a cost of \$5,000 or more per individual item, purchased with Contract funds for a period of five years. The value of OVR's lien, as registered with the PA Department of State, will equal the portion of the equipment purchase price financed with Contract funds. The Contractor will file OVR's lien with the PA Department of State using the Financing Statement, Uniform Commercial Code UCC-1.

Ownership of such equipment will revert to OVR if the terms of this Contract are violated, or if the Contract has terminated while OVR holds the aforementioned lien.

Equipment purchased with Contract funds may not be used as collateral in any transactions while OVR holds a lien against such equipment.

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VI. EQUIPMENT REGISTRATION

The Contractor shall file the Form UCC-1, Uniform Commercial Code Financing Statement with the PA Department of State in order to register OVR's interest in project-purchased equipment. The Contractor ("Debtor" as identified in the UCC-1 filing), shall pay all filing fees required by the Commonwealth of Pennsylvania ("Commonwealth") and the Contractor shall furnish OVR with proof that OVR's security interest has been registered in an effective and timely manner. Filing fees may not be paid with Contract funds.

The Contractor will obtain copies of form UCC-1 Financing Statement from the PA Department of State. The UCC-1 Financing Statement and instructions are available online at: <http://www.dos.state.pa.us/portal/server.pt/community/corporations/12457/forms/571880> through the PA Department of State voice mail system by calling (717) 772-1057.

Information concerning filing fees is available online at: http://www.dos.state.pa.us/portal/server.pt/community/corporations/12457/fees_payment/571873 or by telephone at (717) 787-1057.

VII. LANDLORD WAIVER

If Contract-purchased equipment is placed in a rented premises, a Landlord's Waiver must be executed by the landlord prior to the placement of the equipment on the premises. Landlord Waiver forms may be obtained by contacting the Contractor and Grantee Services Division, OVR Central Office.

VIII. COMPLIANCE WITH APPLICABLE LAWS

The Contractor, subcontractors, and participating employers shall:

- A. comply with applicable laws and regulations relating to employee health, safety, and sanitation;
- B. comply with applicable laws with respect to fire protection, safety devices or guards on machinery, and accident hazards;
- C. comply with applicable federal, state, and local minimum wage and hour laws;
- D. comply with applicable Workers' Compensation statutes relating to work accidents and occupational diseases; and
- E. safeguard the rights and welfare of human subjects who are involved in activities supported by Federal funds. For purposes of this policy, a human subject is an individual who may be exposed to the possibility of physical, psychological, sociological or other harm as a result of any activity

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that goes beyond the application of those established and accepted methods necessary to meet the subject's needs.

IX. EVALUATION COMPONENT

The Contractor shall perform an analysis of the total Contract that will identify the results and effectiveness of the Contract as measured by the Statement of Work, Deliverables, goals and objectives, and the benefits to the individuals and communities served. The Contractor shall conduct surveys of Contract participants' satisfaction with services rendered under the Contract.

X. CONTROL OF EXPENDITURES

The Contractor shall maintain adequate accounting records for the Contract, separate and apart from records kept for its usual operation and other contracts/grants.

The Contractor shall make its records available at its office, at all reasonable times during the term of this Contract, for inspection, audit or reproduction by an authorized representative of the Secretary of Labor & Industry or the Auditor General. Invoices for all equipment and other expenditures must be retained and are subject to audit. If non-Contract items are noted on the same invoice, items that are project-related must be identified. When this Contract terminates, the records relating to this Contract shall be retained and available for a period of six (6) years.

A. Monies received by the Contractor from OVR must be immediately deposited into a separate interest-bearing account, through which the movement of Contract funds may be readily traced.

1. Checks used in Contract -related transactions must include an indelible notation of the dedicated cost center number.
2. All transactions must have supporting documentation in the Contract file and must be related to the Contract purposes. Funds may not be commingled. If funds are commingled, the total monies under this Contract must be returned to OVR upon demand:
 - a. commingle means depositing or recording funds in a general account without the ability to identify each specific source of funds for any expenditure; and
 - b. the funds from each funding source must be identifiable with a clear audit trail for each source. As expenditures occur it is appropriate for those funds to be consolidated for carrying out a common purpose.
3. Contract funds may be used only for the purposes of this Contract. Temporary transfers such as payment of debts and/or purchase of non-Contract items with Contract funds may not be made from the Contract funds. If funds are improperly transferred, the total monies paid under this Contract must be returned to OVR upon demand.

B. Audit Requirements

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Audit Requirements for contractors receiving Federal Awards from the Commonwealth:

1. For Contract with a Budget that is comprised of federal funds passed through the Commonwealth (including federal monies awarded by OVR for this Contract) in the amount of \$750,000 or more during a single fiscal year period Contractor MUST have a single or program-specific audit conducted for that year in accordance with the following provisions:
 - a. Single Audit – a non-federal entity that expends federal funds of \$750,000 or more during the non-federal entity’s fiscal year, must have a single audit conducted in accordance with 2 CFR 200.514 “Scope of Audit,” except when it elects to have a program-specific audit conducted in accordance with paragraph (c) below;
 - b. Report submission for Single Audit - generally, the audit must be completed and the data collection form described in 2 CFR 200.512(b) and reporting package described in 2 CFR 200.512(c) must be submitted within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period. If the due date falls on a Saturday, Sunday, or Federal holiday, the reporting package is due the next business day;
 - c. Program-Specific Audit election – when Contractor expends federal funds under only one federal program and federal statutes, regulations, or the terms and conditions of the Contract with OVR do not otherwise require a financial statement audit, Contractor may elect to have a program specific audit conducted in accordance with 2 CFR 200.507; and
 - d. Report submission for Program-Specific Audits - the audit must be completed and the reporting required by 2 CFR 200.515(c)(2) or (3) submitted by the earlier of either: 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period, unless a different period is specified in a program-specific audit guide. Unless restricted by Federal law or regulation, the auditee must make report copies available for public inspection. Auditees and auditors must ensure that their respective parts of the reporting package do not include protected personally identifiable information.
2. Contractor is responsible for obtaining and securing the services of a certified public accountant or independent government auditor, at its own expense to fulfill all applicable audit requirements and provisions outlined. A proportionate share of this expense, based on the total contract amount, not to exceed \$5,000 per awarded Contract per year, may be included as an allowable Administrative expense on the Budget as found in Appendix B. Audit expenses which exceed \$5,000 per awarded Contract year must be competitively bid.

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3. Contractor must comply with all applicable federal and state grant requirements including The Single Audit Act Amendments of 1996, 2 CFR Part 200 as amended, and any other applicable law or regulation, and any amendment to such other applicable law or regulation that may be enacted or promulgated by the federal government.
 4. Contractor must submit an electronic copy of the audit report package to the Federal Audit Clearinghouse, as well as send an electronic copy to the Contractor and Grantee Services Division, OVR Central Office .
 5. Contractor must send a copy of the confirmation from the Federal audit Clearinghouse to the resource account RA-BOASingleAudit@pa.gov.
 6. OVR and the Commonwealth reserve the right for federal and/or state agencies or their authorized representatives to perform additional audits of a financial or performance nature if deemed necessary by either the Commonwealth, OVR, or federal agencies.
 7. In instances where a federal program-specific audit guide is available, the audit report package for a program-specific audit may be different and should be prepared in accordance with the appropriate audit guide, Government Auditing Standards, and 2 CFR Part 200 Subpart F – Audit Requirements regarding the uniform administrative requirements, principles, and audit requirements for federal awards.
 8. In addition to the auditing requirements of 2 CFR Part 200 Subpart F – Audit Requirements, Commonwealth agencies may require that the single audit reporting packages include additional components in the SEFA, or supplemental schedules, as identified through the respective grant agreement.
 9. Contractor’s auditor shall retain for a minimum of five years from the date of issuance of the audit report, unless the Contractor is notified in writing by the Commonwealth, the cognizant federal agency for audit, or the oversight federal agency for audit to extend the retention period. Audit documentation will be made available upon request to authorized representatives of the Commonwealth, the cognizant federal agency for audit, the oversight federal agency for audit, the Audit documentation and audit reports must be retained by the OVR as the federal funding agency, or the GAO.
- C. Contract monies shall be expended in accordance with the approved Budget, as presented and attached herein as Appendix B. Approved Contract Award budgets may include up to a 10% maximum total administrative expense allotment. Any budgeted administrative costs in excess of 10% will be deemed ineligible for reimbursement by OVR.

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- D. Contract budgets may be revised, but revisions shall not be retroactive, and shall only become effective upon the date the final and fully executed budget revision request attached to this agreement. Fully executed shall mean the date of the last signature on the revision request.
- E. Items approved by the original Budget or subsequent Budget Revision Requests must be purchased and/or obligated prior to the expiration date of the Contract.
 - 1. Documentation that the funds were obligated prior to the expiration date will require Contractor to provide purchase orders or signed purchase contracts. OVR's approval of a Budget Revision Request permits expenditure for those approved items, but does not constitute obligation of funds by the Contractor for their purchase.
 - 2. Staff salaries and fringe benefits may not be obligated for future payment.
 - 3. If obligated funds are not supported by purchase orders or signed contracts, the Contractor must make appropriate refunds to OVR.

XI. QUARTERLY NARRATIVE AND FINANCIAL STATEMENT REPORT

The Contractor shall email to the OVR/BBVS District Administrator, the Regional Transition Specialist and to the Contractor and Grantee Services Division, a Program Narrative and Financial Statement Report within 15 days after the end of each calendar quarter of the project. The Quarterly Narrative Report shall demonstrate the Contractor's implementation of its Program Evaluation System.

The narrative report shall include at least the following information:

- A. a summary of Contract activity to include the status of each Deliverable in the Statement of Work and other goals and objectives;
- B. data driven summary of outcomes being tracked; including starting point, current status and goal;
- C. challenges and/or barriers involved in meeting proposed outcomes;
- D. strategies to address challenges and/or barriers; and
- E. identification of technical assistance requirements.

(NOTE: Failure to provide OVR Quarterly Reports in a timely manner, as specified in the first paragraph of this Section, will result in interruption of OVR Contract payments.)

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XII. FINAL NARRATIVE REPORT

A Final Expenditures Report and Narrative Report covering Contract activities over the entire Contract period must be emailed to the Contractor and Grantee Services Division, Central Office, to the OVR/BBVS District Administrator and the Regional Transition Specialist within 30 days after the end of the project. The following information must be included in the narrative:

- A. a statement of the progress toward achieving the Contract’s Deliverables, goals and objectives;
- B. itemization of how Contract funds were utilized, including:
 - 1. the Contract staff hired, if applicable;
 - 2. equipment purchased by the Contractor. (List equipment and purchase price.); and
 - 3. other benefits resulting from the Contract.
- C. description of the major problems and difficulties encountered in the Contract and their resolution;
and
- D. status of plans for continuing Contract activities after expiration of Contract support for the project.

XIII. SUBCONTRACTS

Any subcontract entered by the Contractor with a value of \$5,000 or more shall be competitively bid or supported by sole source justification approved in writing by OVR in advance of entering the subcontract.

This provision does not require the approval of contracts of employment between the Contractor and its personnel assigned for services thereunder. Any approved subcontractor must comply with the terms and conditions of the contract and must make available to OVR any records for inspection or other documentation related to the subcontract or this project. The Commonwealth may undertake or award other contracts for additional or related work, and the Contractor shall fully cooperate with other Contractors, subcontractors and Commonwealth employees.

XIV. DISCLAIMER

The Contractor hereby certifies that it is not in receipt of funds from any other Federal source covering any portion of the project. If this certification is false, this Contract may be revoked in whole or in part, and any monies paid hereunder shall be refunded to OVR with any penalties that may be imposed by law or regulations.

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XV. PA ELECTRONIC PAYMENT PROGRAM (PEPP)

- A. The Commonwealth will make payments to the Contractor through the Automated Clearing House (ACH) Network. Within 10 days of the Funds Commitment award, the Contractor must submit or must have already submitted its ACH and electronic addenda information, if desired, to the Commonwealth's Payable Service Center, Vendor Data Management Unit at 717-214-0140 (FAX) or by mail to the Office of the Comptroller Operations, Bureau of Payable Services, Payable Service Center, Vendor Data Management Unit, 555 Walnut Street, - 9th Floor, Harrisburg, PA 17101.
- B. The Contractor must submit a unique invoice number with each invoice submitted. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the Contractor to properly apply the state agency's payment to the respective invoice or program.
- C. It is the responsibility of the Contractor to ensure that the ACH information contained in the Commonwealth's Central Vendor Master File is accurate and complete. Failure to maintain accurate and complete information may result in delays in payments.

XVI. GENERAL

- A. The Contractor will comply with Titles VI and VII of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by the Department of Health and Human Services (45 CFR Part 80) issued pursuant to that title, to the end that, in accordance with Titles VI and VII of that Act and the Regulation, no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant receives Federal financial assistance from OVR; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.
- B. The Contractor will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d) prohibiting employment discrimination where a) the primary purpose of a Contract is to provide employment or b) discriminatory employment practices will result in unequal treatment of persons who are, or who should be, benefiting from the project-aided activity.
- C. The Contractor will comply, as applicable, with the programs of Title V, Sections 503 and 504 of the Rehabilitation Act of 1973, as amended or stated as administered by the Office of Federal Contract Compliance Program and the Office of Civil Rights, respectively, which prohibit discrimination against qualified job applicants on the basis of physical or mental disability and has

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executed the Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as amended.

- D. The Contractor will comply, as applicable, with the provisions of the National Environmental Policy Act of 1969 (P.L. 90-190).
- E. The Contractor will establish safeguards to prohibit employees from using their positions for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- F. The use of Federal funds by an approved Contractor under the Rehabilitation Act of 1973, as amended, must not result in a decrease in level of effort to provide services to persons with significant disabilities. Services provided under the Act should strengthen and integrate, not duplicate or replace, existing service.
- G. An approved Contractor shall encourage and allow, wherever possible, maximum community participation.
- H. OVR has a monitoring and evaluation responsibility for all Funds Commitment awarded to another service agency. This responsibility applies to program and financial aspects of this Funds Commitment and any subcontracts.
- I. The Contractor agrees that the Commonwealth may set off the amount of any state tax liability or other debt of the Contractor or its subsidiaries that is owed to the Commonwealth and not being contested on appeal against any payments due the contractor under this Funds Commitment or any contract with the Commonwealth.