DATE: June 4, 2014

TO: Program Year 2013-14 (PY 13-14) WorkSource Contractors

FROM: Jaime H. Pacheco-Orozco, Director
      Workforce Development System

SUBJECT: WDS DIRECTIVE NO. 14-13
INSTRUCTIONS FOR TRANSITION TO PROGRAM YEAR 2014-15
(PY 14-15) WORKSOURCE SYSTEM

EFFECTIVE DATE
This directive is effective upon issue.

PURPOSE
The purpose of this directive is to provide Workforce Investment Act (WIA) WorkSource Center (WSC) contractors with instructions on the transition of participants, services, and employees from current PY 13-14 WSC providers to PY 14-15 WorkSource Center contractors.

BACKGROUND
In PY 13-14, the Economic and Workforce Development Department (EWDD) issued a Request for Proposals (RFP) to procure the WIA adult workforce system. The RFP resulted in the selection of recommended contractors that was subsequently approved by the Los Angeles City Council (Attachment A).

REQUIRED ACTION
The PY 13-14 agencies that will not be contractors in PY 14-15 must provide the EWDD a complete list of participants. This list must include active participants that will be carried over from PY 13-14 into PY 14-15, participants in follow up, and inactive participants.
In addition, contractors must take the following actions:

PROGRAM

1. Notify Clients of Transition

By June 30, 2014, outgoing service providers must notify participants (both carryover clients and PY 13-14 clients in the follow-up phase of the program) in writing that the agency will be ceasing to operate as City-funded WorkSource Center and that the participants will be transitioned to another WorkSource Center. In addition, efforts should be made to contact clients by phone or in person.

Service providers must provide EWDD with documentation of the contacts made as well as the attempts to contact program participants. In addition, the service providers must include the contact information for the contractor taking over program.

2. Completion of a Client Profile and Record Transfer Form and Physical Transfer of Client Case File Documents

Outgoing PY 13-14 service providers must deliver a complete copy of the case file for each active participant that will be carried over from PY 13-14 into PY 14-15, participants in follow up, and inactive participants by June 30, 2014. A Client Profile and Record Transfer Form must be affixed to each client file. The outgoing contractor must notify EWDD when these files are ready for transfer. The EWDD program manager will coordinate the date and time of the transfer of files between the outgoing service provider and the new service provider.

3. Completion of Client Activities

It is expected that carryover clients currently engaged in WIA activities will require services after June 30, 2014. The assigned PY 14-15 contractor will assume responsibility for providing WIA adult services to PY 13-14 carryover clients.

4. Service Worker Retention Ordinance

Incoming PY14-15 contractors must comply with the Service Worker Retention Ordinance (See attached FAQ).

FISCAL

1. June Invoice Deadline

Outgoing contractors are required to submit an invoice covering original period (July 1, 2013 through June 30, 2014) no later than July 15, 2014.

2. Time Extension Contract Amendment

Outgoing contractors will be offered the option of executing a contract amendment that will allow a two-month period for required closeout activities, from July 1 through August 31, 2014.
The Closeout budget should be submitted on or before June 15, 2014. The following closeout activities can be charged to the grant for the period July 1, 2014 to August 31, 2014:

a) Closing of books of account
b) Preparation of the final closeout expenditure reports and supporting schedules
c) Preparation of inventory reports
d) Records storage and safekeeping
e) Transition of participant files
f) Single audit fees if the audit is performed on or before August 31, 2014

Normally only administrative personnel can charge their time to the grant, however, program personnel working to complete the transition of participant files can charge to the grant during the closeout period.

3. Budget Modification Request

No additional funds are available for the extension period. However, if there are projected unexpended funds in your budget as of June 30, 2014 you may submit a request for budget modification. Only fiscal and administrative costs may be charged for the two month extension period.

Accrued vacation will be paid only to employees who will be terminated. Accrued vacation payment will be based on the PY 13-14 FTEs and should be in accordance with the company's personnel policy. Names of to-be terminated employees with the corresponding amount of accrued vacation leave should also be provided with the closeout budget so that program personnel can review and approve/disapprove. For employees transitioned to other grants, accrued vacation should be covered by the successor grant.

4. Single Audit

If your organization operates on a calendar year basis, you will need to have a single audit conducted for the period ending December 31, 2013. Your budget modification request may include reasonable estimated audit costs if funds are available. If you operate on a fiscal year basis, no single audit is required as part of closeout activities.

Every recipient and sub-recipient organization that expends $500,000 or more in Federal financial assistance during its fiscal year must submit a single audit report. The single audit costs allocable to this particular agreement will be allowed as a closeout cost if the audit is performed on or before August 31, 2014.
5. Property Management

For equipment with a per unit fair market value of $5,000 or more, the contractor must submit a copy of its most recent inventory list together with the June 30, 2014 expenditure report. EWDD will then determine whether to transfer the equipment to another contractor or request the return of the equipment to EWDD.

If the contractor is allowed to retain the equipment, the contractor may:

- Use the equipment in the program or project for which it was acquired as long as it is needed, whether or not the program or project continues to be supported by federal funds.

- If the equipment is no longer needed by the original project/program, the equipment may be used in other activities currently or previously supported by a federal agency. Priority should be given to federal programs funded by the Employment Training Administration of the Department of Labor;

- If the equipment is no longer needed by the program/project or for other activities currently or previously supported by a federal agency, the contractor may retain or sell the equipment and reimburse the EWDD for the WIA federal funds’ share of the proceeds.

- Supplies are items with a useful life of one year or less and a unit acquisition cost of less than $5,000. Supplies can include computers (unless the price exceeds the $5,000 unit cost), telephone, calculators, furniture, copy machines, fax machines and other supplies such as pens, paper, etc. If an aggregate inventory of unused supplies exists upon termination of the contract that is $5,000 or more in total aggregate “fair market” value the contractor can use the supplies for another federal program, and may retain the supplies for that program. If the contractor cannot use the supplies for another federal program, they may retain the supplies for use on non-federally sponsored activities or sell them. However, in either situation, compensation for the WIA federal funds’ share must be returned to EWDD.

6. Records Retention

All records (including all financial documents, correspondence, leases, participant intake and service records) in their original form, must be maintained within the County of Los Angeles for a period of five years following termination of the agreement and disposition of all pending matters, whichever is later. You are also required to provide reasonable public access to records in compliance with the California Public Records Act. Before destroying any records related to the agreement, you must contact EWDD and request instructions for the disposition of records.

Records must be maintained for a period of 5 years following the date of the final expenditures once they are submitted. If any litigation, claim or audit is started before the expiration of five-year period, the records must be retained until all findings have
been resolved and final action taken. Access to records must be given to the EWDD, The State of California Employment Development Department (EDD), United States Department of Labor, Comptroller General of the United States or their authorized representatives.

7. Submission of Final Invoice and Closeout Package

Your final invoice for the period July 1, 2013 through August 31, 2014 and your closeout report must be submitted to FMD by September 30, 2014. In the event your final closeout or other required documentation is not received within the prescribed time frame, the City reserves the right of unilaterally close out the agreement and use the invoice then on file at City for determination of your final allowable expenditures. You will not be reimbursed for expenditures reported after the 30-day closeout date following termination of the agreement.

8. Program Income

All program income earned through August 31, 2014, should be remitted back to EWDD together with the closeout invoice.

9. Indirect Costs

If indirect costs have been charged to the grant, a copy of the provisional or final rate must be submitted. If the grant is closed on a provisional rate and the final rate is lower, you are required to recalculate indirect costs and return all excess indirect costs within 45 days of the final rate approval letter.

10. Other Closeout Requirements

It is your responsibility to return any funds due as a result of later refunds, corrections or audit disallowances. EWDD retains the right to disallow costs and recover funds on the basis of audits or reviews that are conducted after August 31, 2014.

Any special bank account required for the WIA Adult grant must be closed.

CONTACT
Questions or requests for additional clarification should be addressed to Gregory Burks at Gregory.Burks@lacity.org or (323) 971-7645, TTY (323) 569-2251

JHP:GR
Attachments