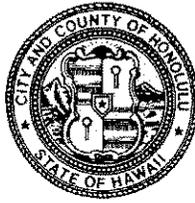


DEPARTMENT OF COMMUNITY SERVICES  
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792



MUFI HANNEMANN  
MAYOR

DEBORAH KIM MORIKAWA  
DIRECTOR

ERNEST Y. MARTIN  
DEPUTY DIRECTOR

June 25, 2008

RECEIVED

JUN 26 11 44 AM '08

CITY CLERK  
HONOLULU, HAWAII

The Honorable Barbara Marshall, Chair  
and Members  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

Dear Chair Marshall and Councilmembers:

Subject: Intergovernmental Agreement Not Requiring Expenditure of City Funds

Pursuant to Ordinance 07-40, relating to intergovernmental agreements not requiring expenditure of City funds, we are submitting for approval the attached agreement between the City and County of Honolulu, Department of Community Services and the State of Hawaii, Department of Labor and Industrial Relations, Workforce Development Division. The Agreement will allow the City to receive funds and implement the National Emergency Grant Program (NEG) for persons affected by closures of Aloha and American Trans Air (ATA) Airlines in Hawaii.

As the Mayor's designee, I certify: (1) that the Agreement will not be executed until approved, (2) that the Agreement does not require the expenditure of City funds, and (3) that the City has not already accepted funds related to this Agreement. As Director of the Department of Community Services, I am the City official authorized to execute the Agreement.

If you have any questions relating to this matter, please contact Rolanse Crisafulli, WorkHawaii/Oahu WorkLinks Administrator at 592-8621.

Sincerely,

  
Deborah Kim Morikawa  
Director

Attachment

APPROVED:

  
Wayne M. Hashiro, P.E.  
Managing Director

DEPT. COM. 545

**STATE OF HAWAII  
AGREEMENT FOR HEALTH AND HUMAN SERVICES:  
TRANSACTIONS EXEMPT FROM CHAPTER 103F, HRS**

This Agreement, executed on the respective dates of the signatures of the parties shown hereafter, is effective as of (date) \_\_\_\_\_, \_\_\_\_\_, between the (agency) Department of Labor and Industrial Relations State of Hawai'i (the "STATE"), by its Director (the "DIRECTOR"), whose address is 830 Punchbowl Street, #321, Honolulu, HI 96813 and City and County of Honolulu, Department of Community Services (the "PROVIDER"), a (government entity/corporation/partnership/sole proprietorship/other business form) a county government entity, whose business address and taxpayer identification number are: 715 South King Street, Room 311, Honolulu, HI 96813 Federal ID#: 99-6001257 State ID#: 10016001.

**RECITALS**

A. This Agreement is for a purchase of health and human services that is exempt from the requirements of Chapter 103F, HRS, because:

- this Agreement is between or among government agencies as provided in Section 103F-101(a)(2), HRS;
- this Agreement is to award grants or subsidies of state funds appropriated by the legislature to a specific organization as provided in Section 103F-101(a)(1), HRS, and Section 3-141-503(a)(2), HAR, or to award subawards and subgrants to specific organizations directed by the funding source as provided in Section 3-141-503(a)(1);
- this Agreement is wholly or partly funded from federal sources that conflict with the procedures and requirements established by Chapter 103F, HRS, and its implementing regulations;
- this Agreement is wholly or partly funded from federal sources that (1) identifies a target class of beneficiaries, (2) defines the requirements for a provider to be qualified to participate in the federal program, and (3) has the price of the provided health and human services dictated by federal law;

- this Agreement is for an affiliation agreement with hospitals and other health care providers required for University of Hawaii clinical programs;
- this Agreement is for the services of psychiatrist, or psychologists in criminal or civil proceedings as required by a court order or by the rules of the court;
- this Agreement is for a transaction covered by a written exemption from the Chief Procurement Officer for the STATE dated \_\_\_\_\_, \_\_\_\_\_.

B. The STATE is in need of the health and human services described in this Agreement and its exhibits (the "Required Services"). The PROVIDER is agreeable to providing the Required Services.

C. Money has been appropriated for the purchase of the Required Services by:  
 (1) (identify state sources) \_\_\_\_\_, or  
 (2) (identify federal sources) Public Law 110-5, or both,  
 in the following amounts:

State: \$ \_\_\_\_\_  
 Federal: \$ 1,400,000.00

D. Pursuant to (legal authority for Agreement) Chapter 103F and 26-30, the STATE is authorized to enter into this Agreement.

E. The undersigned representative of the PROVIDER represents, and the STATE relies upon such representation, that he or she has authority to sign this Agreement by virtue of (check any or all that apply):

- corporate resolutions of the PROVIDER or other authorizing documents such as partnership resolutions;
- corporate by-laws of the PROVIDER, or other similar operating documents of the PROVIDER, such as a partnership agreement, or an limited liability company operating agreement;

- the PROVIDER is a sole proprietor and as such does not require any authorizing documents to sign this Agreement;
- the PROVIDER is a government entity, and the undersigned representative of the PROVIDER is duly-authorized to execute contracts on behalf such government entity;
- other evidence of signing authority: \_\_\_\_\_

F. The PROVIDER has produced, and the STATE has inspected, a certificate of insurance in the amount of \_\_\_\_\_ N/A \_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_), for bodily injury and property damage liability arising in connection with the PROVIDER's performance under this Agreement. N/A

G. The PROVIDER has produced, and the STATE has inspected, a tax clearance certificate with approval from the State of Hawai'i, Department of Taxation, dated \_\_\_\_\_, \_\_\_\_\_. N/A

NOW, THEREFORE, in consideration of the promises contained in this Agreement, the STATE and the PROVIDER agree as follows:

1. Scope of Services. The PROVIDER shall, in a proper and satisfactory manner as determined by the STATE, provide the Required Services as set forth in Exhibit "A" to this Agreement, which is attached, and made a part of this Agreement.

2. Term of Agreement. The PROVIDER shall provide the Required Services from (date) \_\_\_\_\_, \_\_\_\_\_, to (date) June 30 \_\_\_\_\_, 2010. unless this Agreement is sooner terminated.

3. Compensation. The PROVIDER shall be compensated

in a total amount for all required services not to exceed ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$ 1,400,000.00), including taxes, at the time and in the manner set forth in Exhibit "B" to this Agreement, which is attached, and made a part of this Agreement.

based upon referrals to the PROVIDER from the STATE, payment

for each such referral shall be made according to Exhibit "B" to this Agreement, which is attached, and made a part of this Agreement. The STATE shall provide a minimum of \_\_\_\_\_ referrals to the PROVIDER.

4. Reporting Requirements. In addition to whatever other reports may be required elsewhere in this Agreement, the PROVIDER shall also submit a Final Project Report, by (date) August 31, 2010. No amendment to the PROVIDER's Final Project Report shall be considered after (date) September 30, 2010.

5. Standards of Conduct Declaration. The Standards of Conduct Declaration of the PROVIDER is attached as Exhibit "C", and is made a part of this Agreement.

6. Other Terms and Conditions. The General Conditions for Health and Human Services Contracts (the "General Conditions") are attached as Exhibit "D," and are made a part of this Agreement. If applicable, any Special Conditions are attached as Exhibit "E," and are made a part of this Agreement. In the event of a conflict between the General Conditions and the Special Conditions, the Special Conditions shall control.

7. Notices. Any notice, communication, or information required to be given by any party to this Agreement shall be made in writing, and shall be (a) delivered personally, or (b) sent by United States first class mail, postage prepaid. Notice required to be given to the DIRECTOR shall be sent to the DIRECTOR's office in Honolulu, Hawaii. Notice to the Agency Procurement Officer shall be sent to: 830 Punchbowl Street, #309, Honolulu, HI 96813. Notice to the PROVIDER shall be sent to the PROVIDER at the PROVIDER's address as indicated in this Agreement. Notice to the STATE's Chief Procurement Officer shall be sent to 1151 Punchbowl Street, #230A Honolulu, HI 96813. A notice shall be deemed to have been received three (3) days after mailing or at the time of actual receipt, whichever is earlier. The PROVIDER is responsible for notifying the STATE in writing of any change of address.

IN VIEW OF THE ABOVE, the parties execute this Agreement by their signatures,  
on the dates below, to be effective as of the date first above written.

STATE

By \_\_\_\_\_

Print Name Darwin L.D. Ching

Title Director of Labor and Industrial Relations

Date \_\_\_\_\_

PROVIDER

By \_\_\_\_\_

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

Title \_\_\_\_\_

Date \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General





## STATE OF HAWAII

**CERTIFICATE OF EXEMPTION  
FROM CIVIL SERVICE****1. By Heads of Departments Delegated by the Director of the Department of Human Resources Development (“DHRD”).\***

Pursuant to a delegation of the authority by the Director of DHRD, I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to § 76-16, Hawaii Revised Statutes (HRS).

\_\_\_\_\_  
(Signature)\_\_\_\_\_  
(Date)\_\_\_\_\_  
(Print Name)\_\_\_\_\_  
(Print Title)

\* This part of the form may be used by all department heads and the heads of attached agencies to whom the Director of DHRD expressly has delegated authority to certify § 76-16, HRS, civil service exemptions. The specific paragraph(s) of § 76-16, HRS, upon which an exemption is based should be noted in the contract file. If an exemption is based on § 76-16(b)(15), the contract must meet the following conditions:

- (1) It involves the delivery of completed work or product by or during a specific time;
- (2) There is no employee-employer relationship; and
- (3) The authorized funding for the service is from other than the "A" or personal services cost element.

**NOTE:** Not all attached agencies have received a delegation under § 76-16(b)(15). If in doubt, attached agencies should check with the Director of DHRD prior to certifying an exemption under § 76-16(b)(15). Authority to certify exemptions under §§ 76-16(b)(2), and 76-16(b)(12), HRS, has not been delegated; only the Director of DHRD may certify §§ 76-16(b)(2), and 76-16(b)(12) exemptions.

**2. By the Director of DHRD, State of Hawaii.**

I certify that the services to be provided under this Contract, and the person(s) providing the services under this Contract are exempt from the civil service, pursuant to §76-16, HRS.

\_\_\_\_\_  
(Signature)\_\_\_\_\_  
(Date)\_\_\_\_\_  
(Print Name)\_\_\_\_\_  
(Print Title, if designee of the Director of DHRD)

## **SCOPE OF SERVICES**

### **National Emergency Grant**

The purpose of this Agreement is to implement the National Emergency Grant (NEG) program funded under Title I of the Workforce Investment Act of 1998 (WIA), for persons affected by the closures of Aloha and American Trans Air (ATA) Airlines in Hawaii. The National Emergency Grant is available to provide employment and training assistance to workers affected by major economic dislocations such as plant closings, mass layoffs, or closures and realignment of military installations. As provided in this Agreement and under WIA, the PROVIDER is required to develop a local workforce investment system which provides programs, services, training and other workforce investment activities ("workforce investment activities") that will increase the employment, retention, and earnings of participants, and increase occupational skill attainment by participants; thereby improving the quality of the workforce, reducing welfare dependency and enhancing the productivity and competitiveness of the Nation's economy.

As part of the workforce investment system developed by the PROVIDER, the PROVIDER shall utilize a one-stop delivery system which ensures that workforce investment activities for NEG dislocated workers are provided by one-stop partners, thus giving dislocated workers access to a continuum of workforce investment activities organized in three levels: core, intensive and training.

The scope of the PROVIDER's services under this Agreement is set forth in detail in the Workforce Investment Act Plan and its addendum, the Local Financial Management Plan, as approved by the STATE, which describe the workforce investment system developed by the PROVIDER which are not attached hereto but are incorporated as part of this Agreement by this reference; the Annual Plan which describes the PROVIDER's activities for the NEG dislocated worker program and the Budget which sets forth the PROVIDER's annual budget under this Agreement. The Annual Plan and Budget, as approved by the STATE, shall be incorporated under this Agreement and are attached hereto as Attachments "1" and "2" respectively. In addition, the PROVIDER shall provide the following services:

1. **Statutory and Regulatory Requirements:** The PROVIDER shall comply with the Cost Principles for Purchases of Health and Human Services set forth in HRS Chapter 103F, and applicable federal cost principles listed in OMB Circulars A-87, A-21, A-122, which are not attached hereto but are incorporated and made a part of this Agreement. The PROVIDER shall ensure that such services shall be in accordance with the Workforce Investment Act of 1998 (Public Law 105-220) and its implementing regulations at 20 CFR 652, et al issued August 11, 2000 as amended, 20 CFR 671.140 and its implementing regulations and applicable Federal and State laws, regulations, policies and instructions. As a local governmental entity, the PROVIDER must follow the common rule, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, which is codified at 29 CFR Part 97.

If the PROVIDER subcontracts any part of this Agreement to a non-governmental entity the subcontractor shall follow the Uniform Administrative Requirements for Grants and Agreements with Institution of Higher Education, Hospitals, and Other Non-Profit Organizations, codified at 29 CFR Part 95. Allowable costs for subcontractors must follow the cost principles under OMB Circular A-122 (Non-Profit Organizations), or OMB Circular A-21 (Educational Institutions), as applicable.

2. **Time of Performance:** The approved federal grant period for this award is May 12, 2008 through June 30, 2010. The period for this Agreement is June 20, 2008, or the date of execution, whichever is later, through June 30, 2010.

3. **Required Local Employment and Training Activities:**

A. **One-Stop Delivery System:** The PROVIDER shall make maximum use of assistance and resources available through the One-Stop partners, employers and other state and local organizations. The responsibilities of the LWIB described in this Agreement are required under WIA.

The responsibilities of the One-Stop Operator are more fully described in the Workforce Investment Act Plan and its addendum.

B. **Core Services:** The PROVIDER shall provide core services to all NEG dislocated workers through the one-stop center(s). Core services shall include at a minimum:

- 1) Determination of the dislocated worker's eligibility for WIA NEG services;
- 2) Outreach, intake and orientation to the information and other services available through the one-stop delivery system;
- 3) Initial assessment of skill levels, aptitudes, abilities, and supportive service needs;
- 4) Job search and placement assistance, and where appropriate, career counseling;
- 5) Provision of employment statistics information, including accurate information relating to the local, regional, and national labor market areas such as job vacancy listings, information on job skills necessary to obtain jobs, occupations in demand and the earning and skill requirements for demand occupations;
- 6) Provision of information regarding performance and cost for eligible providers of training services including providers of adult education services, post secondary vocational education services and vocational rehabilitation services;
- 7) Provision of information regarding how the local area is performing on the local performance measures and any additional performance information with respect to the one-stop delivery system in the local area;

- 8) Provision of accurate information relating to the availability of supportive services, including childcare and transportation and referral to such services, as appropriate;
- 9) Provision of information regarding filing claims for unemployment compensation;
- 10) Assistance in establishing eligibility for programs of financial aid assistance for training and education programs; and
- 11) Follow-up services, including counseling regarding the workplace, for participants in workforce investment activities who are placed in unsubsidized employment. Such services shall be provided for not less than 12 months after the first day of employment, as appropriate.

Upon determination by the PROVIDER that intensive services are necessary for an individual, appropriate intensive services shall be provided in a timely manner.

**C. Intensive Services:** The PROVIDER shall provide intensive services to NEG dislocated workers: 1) who are unemployed and unable to obtain employment through core services and who have been determined by a one-stop operator or one-stop partner to be in need of more intensive services or 2) who are employed but have been determined by a one-stop operator or a one-stop partner to be in need of intensive services to obtain or retain employment that allows self-sufficiency. Intensive services shall include at a minimum:

- 1) Comprehensive and specialized assessments of the skill levels and service needs of dislocated workers including diagnostic testing and other assessment tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals;
- 2) Development of an individual employment plan which identifies the dislocated worker's employment goals, appropriate achievement objectives, and appropriate combination of services needed to achieve employment goals;
- 3) Group counseling;
- 4) Individual counseling and career planning;
- 5) Case management for dislocated workers seeking training services; and
- 6) Short-term pre-vocational services, including development of learning skills, punctuality, personal maintenance skills, and professional conduct to prepare dislocated workers for unsubsidized employment or training.

**D. Training Services:** The PROVIDER shall provide training services to dislocated workers (1) who have met the eligibility requirement for intensive services and who are unable to obtain or retain employment

through such services, (2) who after an interview, evaluation or assessment and case management by the one-stop operator or a one-stop partner have been determined to be in need of training services, (3) who select programs of training services that are directly linked to employment opportunities in the PROVIDER's county, and (4) who are unable to obtain other grant assistance for such services through federal Pell Grants or who require assistance beyond the assistance available under other grant assistance. Training services may include:

- 1) occupational skills training, including training for non-traditional employment;
- 2) on-the-job training;
- 3) programs that combine workplace training with related instruction, including cooperative education programs;
- 4) training programs operated by the private sector
- 5) skill upgrading and retraining;
- 6) entrepreneurial training;
- 7) job readiness training;
- 8) adult education and literacy activities provided in combination with the above training services; and
- 9) customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

Training services shall be directly linked to occupations that are in demand in the PROVIDER's county or in another area to which the dislocated worker is willing to relocate or in occupations which the LWIB has determined to be in sectors of the economy that have a high potential for sustained demand or growth.

**E. Performance Accountability:** Core indicators of performance for employment and training activities, and performance goals for NEG shall consist of:

- 1) entry into unsubsidized employment (81%);
- 2) retention in unsubsidized employment in the second and third quarters after the exit quarter (85%),
- 3) average earnings received in unsubsidized employment in the second and third quarters after exit (\$13,019).

4. **Eligible Participants:** The PROVIDER shall ensure that participants served under this Agreement meets the definition of Dislocated Workers as defined in Section 109 (9) of the Workforce Investment Act (Public Law 105-220).

5. **Monitoring and Evaluation:** The PROVIDER shall implement sufficient procedures for monitoring this award to ensure the proper and effective expenditure of funds and the achievement of program goals.
6. **Data and Reporting Requirements:** In order that the STATE may monitor the PROVIDER's compliance with this Agreement, the PROVIDER shall submit program data and written monthly participant and fiscal reports to the STATE.
  - A. **Program Data:** The required program data shall be the Workforce Investment Act Standardized Record Data (WIASRD) which consists of a standard set of core data elements that must be maintained for each individual who receives WIA Title I-D services beyond self-service and informational activities. The WIASRD contains (1) demographic information of the dislocated workers, (2) workforce investment activities in which the dislocated workers are enrolled or involved and length of time the dislocated workers are engaged in such activities, and (3) outcomes for the dislocated workers, including occupation and placements in non-traditional employment. The PROVIDER shall input the data for each quarter by the tenth calendar day of the month following the end of each quarter.

A monthly participant report indicating the number of individuals receiving the following services shall be submitted monthly to the STATE no later than thirty (30) calendar days after the end of each month.

- Total Number of Persons enrolled in the program
- Receiving Intensive Services
- Enrolled in Training
- Receiving Support Services
- Number of persons who exited the program
- Entered Employment at Exit

- B. **Fiscal Reports:** The fiscal reports shall detail the uses made by the PROVIDER of compensation paid to it pursuant to this Agreement, outline the expenditures incurred, and be certified as to accuracy by the PROVIDER. Expenditure Register for National Emergency Grant programs and Subrecipient's Request for Advance or Reimbursement forms\* shall be submitted no later than thirty (30) calendar days after the end of each month. To be compliant with this reporting requirement, an expenditure report with estimates may be submitted electronically or via facsimile to meet the due date. A fully executed amended report must be submitted as soon as the actual expenses become available. In addition, the PROVIDER shall submit a completed close-out package within sixty (60) calendar days after the expenditure of the entire awarded amount or the termination of the Agreement, whichever is sooner.

\* These forms are contained in the STATE's Workforce Investment Act Financial Management Manual.

- C. **Additional Reports:** In addition to the above reports, the PROVIDER, upon request, shall be required to submit additional reports that the STATE, from time to time, may request and to meet with representatives of the STATE to discuss the progress of the work required hereunder.
  - D. **Reporting Penalty:** Should the PROVIDER fail to file the program data and/or reports with the STATE on or before the required date, the STATE is authorized to withhold funds owed to the PROVIDER until such time as the reports are submitted and deemed acceptable by the STATE.
7. **Audit Requirement:** If the PROVIDER expends \$500,000.00 or more a year in federal awards it shall have a single or program-specific audit conducted for that year by an independent Certified Public Accountant to verify that its financial management system and internal control procedures are effective in meeting the terms and conditions of the Agreement. The audit shall be in accordance with generally accepted auditing standards, the requirements of OMB Circular A-133, and the Government Auditing Standards issued by the U.S. General Accounting Office. The audit report shall be furnished to the STATE within twelve (12) months after the completion of the Agreement. A pro rata share of the audit costs may be charged to the Agreement only if an audit is required as stated above. Should the actual federal expenditure be less than \$500,000.00, no portion of the cost of the audit, if conducted, may be charged to this award.
8. **State Requested Modifications:** If the STATE issues a written request to the PROVIDER for an Agreement modification, the PROVIDER shall ensure that a modification narrative as well as applicable budget documents are submitted to the STATE within 60 calendar days of the date of the STATE's request. Should the PROVIDER fail to submit an acceptable modification narrative and budget documents on or before the required date, the STATE is authorized to withhold funds owed to the PROVIDER until such time as the modification narrative and budget documents are submitted and deemed acceptable by the STATE.
9. **Assurances and Certifications:** By signing this Agreement, the PROVIDER is assuring and certifying that it will fully comply with the Assurances and Certifications for WIA and that it will fully comply with the regulations as set forth below:
- A. 29 CFR Part 97 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments);
  - B. 29 CFR Part 95 (Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations);

- C. 29 CFR Part 96 (Single Audit Requirements);
- D. 29 CFR Part 98 (Debarment and Suspension Certification & Drug Free Workplace Certification);
- E. 29 CFR Part 93 (Lobbying Certification);
- F. 29 CFR Part 37 (Nondiscrimination and Equal Opportunity Assurance)
- G. OMB Circular A-87 (Cost Principles for State and Local Governments);
- H. SF 424 B (Assurances for Non-Construction Programs);
- I. Public Law 105-220 (Workforce Investment Act of 1998); and
- J. 29 CFR Part 652, et al (Workforce Investment Act; Final Rules).

In addition, by signing this Agreement, the PROVIDER represents that it has provided the STATE with the fifteen page document entitled Assurances and Certifications in which it signed the following certification forms: Debarment and Suspension Certification; Certification Regarding Lobbying; Drug Free Workplace Certification; and Certification of Non-Delinquency.

**COMPENSATION AND PAYMENT SCHEDULE**  
**National Emergency Grant Program**

**Compensation and Method of Payment.** Subject to the continuing availability of Federal funds, the STATE agrees to pay the PROVIDER, for services satisfactorily performed under this Agreement, a sum not to exceed **ONE MILLION, FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,400,000.00)** which sum is allocated for the purpose of this Agreement as set forth in the Budget, Attachment 2, which includes the cost of the PROVIDER's operating expenses under this Agreement including but not limited to the cost of services, materials, supplies, overhead, and taxes that are in accord with the Cost Principles for Purchases of Health and Human Services, Chapter 103F, HRS and applicable federal cost principles listed in OMB Circular A-87.

1. Payments shall be made to the PROVIDER in advance monthly installments, upon submission by the PROVIDER of written requests for payment based on the Standards of Cash Management/Drawdowns in the STATE's Workforce Investment Act Financial Management Manual.
  
2. The STATE will only make payments based on the PROVIDER's submission of a Subrecipient's Request for Advance or Reimbursement form on which the PROVIDER certifies that the services provided are consistent with the Agreement, and if the PROVIDER has submitted the monthly fiscal reports. The STATE shall review the fiscal reports to preliminarily determine the appropriateness, and allowability of the reported expenditures for which payment has been requested. The STATE's preliminary determination of appropriateness and allowability of the reported expenditures shall be subject to later verification, subsequent monitoring, audit, investigation and/or examination. If the STATE's later review reveals expenditures are inappropriate and unallowable, the STATE may deduct the amount of expenditures from any payable installment, require that the amount of expenditures be refunded to the STATE, or a combination of both methods. If the STATE's investigation and examination reveal expenditures that are determined by the STATE to be inappropriate and unallowable after payment of the last installment, the STATE may require that an equivalent amount of monies be refunded to the STATE.

3. This Agreement constitutes approval for the expenditure of funds for specific items in the Budget referred to in Attachment 2 and the STATE will make payments to the PROVIDER for actual expenses incurred in the performance of this Agreement based on this Budget. The PROVIDER may make revisions between all five of the budget line items (Total Personal Costs, Total Equipment Purchases, Total Program Activities, Total Contractual Services, and Total Other Current Expenses) without prior STATE approval, provided that the funds are used for allowable costs of the program and do not exceed 10% or \$10,000, whichever is greater. The PROVIDER may make revisions to the budget subline items without prior STATE approval provided that the total amount for the budget line item does not exceed 10% or \$10,000, whichever is greater. Revisions to a budget line item of more than 10% or \$10,000, whichever is greater, must be submitted as an Agreement modification request and be approved by the STATE prior to the expenditure of funds. Notwithstanding the foregoing, the PROVIDER must

always receive the STATE's approval for any expenditure for a budget line item not included in the original Budget. Equipment, in excess of the Financial Management Manual, Property Management threshold and regardless of whether or not it is listed in this Agreement, requires State approval at the time of purchase.

4. Where applicable, the PROVIDER certifies that the cost of services under this Agreement is not greater than the rate the PROVIDER charges to any other public or private agency or individual, for comparable services.

5. Of the total funds allocated to the PROVIDER for workforce investment activities under this grant, at least ninety percent (90%) of the total amount allocated to the PROVIDER must be used for program costs.

6. Funds allocated to the PROVIDER for Program Year 2007 are available for expenditure only from June 20, 2008, or the date of execution, whichever is later, to June 30, 2010. Funds which are not expended by the PROVIDER in this period must be returned to the STATE.

**PROVIDER'S  
STANDARDS OF CONDUCT DECLARATION**

For the purposes of this declaration:

"Agency" means and includes the State, the legislature and its committees, all executive departments, boards, commissions, committees, bureaus, offices; and all independent commissions and other establishments of the state government but excluding the courts.

"Controlling interest" means an interest in a business or other undertaking which is sufficient in fact to control, whether the interest is greater or less than fifty per cent (50%).

"Employee" means any nominated, appointed, or elected officer or employee of the State, including members of boards, commissions, and committees, and employees under contract to the State or of the constitutional convention, but excluding legislators, delegates to the constitutional convention, justices, and judges. (Section 84-3, HRS).

On behalf of \_\_\_\_\_, PROVIDER, the undersigned does declare as follows:

1. PROVIDER  is  is not a legislator or an employee or a business in which a legislator or an employee has a controlling interest. (Section 84-15(a), HRS).
2. PROVIDER has not been represented or assisted personally in the matter by an individual who has been an employee of the agency awarding this Contract within the preceding two years and who participated while so employed in the matter with which the Contract is directly concerned. (Section 84-15(b), HRS).
3. PROVIDER has not been assisted or represented by a legislator or employee for a fee or other compensation to obtain this Contract and will not be assisted or represented by a legislator or employee for a fee or other compensation in the performance of this Contract, if the legislator or employee had been involved in the development or award of the Contract. (Section 84-14 (d), HRS).
4. PROVIDER has not been represented on matters related to this Contract, for a fee or other consideration by an individual who, within the past twelve (12) months, has been an agency employee, or in the case of the Legislature, a legislator, and participated while an employee or legislator on matters related to this Contract. (Sections 84-18(b) and (c), HRS).

\* Reminder to agency: If the "is" block is checked and if the Contract involves goods or services of a value in excess of \$10,000, the Contract may not be awarded unless the agency posts a notice of its intent to award it and files a copy of the notice with the State Ethics Commission. (Section 84-15(a), HRS).

PROVIDER understands that the Contract to which this document is attached is voidable on behalf of the STATE if this Contract was entered into in violation of any provision of chapter 84, Hawaii Revised Statutes, commonly referred to as the Code of Ethics, including the provisions which are the source of the declarations above. Additionally, any fee, compensation, gift, or profit received by any person as a result of a violation of the Code of Ethics may be recovered by the STATE.

DATED: Honolulu, Hawaii, \_\_\_\_\_.

**PROVIDER**

By \_\_\_\_\_  
(signature)

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

Print Title \_\_\_\_\_

Name of Provider \_\_\_\_\_

Date \_\_\_\_\_

**GENERAL CONDITIONS FOR HEALTH & HUMAN SERVICES CONTRACTS  
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**GENERAL CONDITIONS FOR HEALTH & HUMAN SERVICES CONTRACTS****1. Representations and Conditions Precedent****1.1 Contract Subject to the Availability of State and Federal Funds.**

1.1.1 State Funds. This Contract is, at all times, subject to the appropriation and allotment of state funds, and may be terminated without liability to either the PROVIDER or the STATE in the event that state funds are not appropriated or available.

1.1.2 Federal Funds. To the extent that this Contract is funded partly or wholly by federal funds, this Contract is subject to the availability of such federal funds. The portion of this Contract that is to be funded federally shall be deemed severable, and such federally funded portion may be terminated without liability to either the PROVIDER or the STATE in the event that federal funds are not available. In any case, this Contract shall not be construed to obligate the STATE to expend state funds to cover any shortfall created by the unavailability of anticipated federal funds.

1.2 Representations of the PROVIDER. As a necessary condition to the formation of this Contract, the PROVIDER makes the representations contained in this paragraph, and the STATE relies upon such representations as a material inducement to entering into this Contract.

1.2.1 Compliance with Laws. As of the date of this Contract, the PROVIDER complies with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the PROVIDER's performance of this Contract.

1.2.2 Licensing and Accreditation. As of the date of this Contract, the PROVIDER holds all licenses and accreditations required under applicable federal, state, and county laws, ordinances, codes, rules, and regulations to provide the Required Services under this Contract.

1.3 Compliance with Laws. The PROVIDER shall comply with all federal, state, and county laws, ordinances, codes, rules, and regulations, as the same may be amended from time to time, that in any way affect the PROVIDER's performance of this Contract, including but not limited to the laws specifically enumerated in this paragraph:

1.3.1 Smoking Policy. The PROVIDER shall implement and maintain a written smoking policy as required by Chapter 32K, Hawaii Revised Statutes, or its successor provision.

1.3.2 Drug Free Workplace. The PROVIDER shall implement and maintain a drug free workplace as required by the Drug Free Workplace Act of 1988.

1.3.3 Persons with Disabilities. The PROVIDER shall implement and maintain all practices, policies, and procedures required by federal, state, or county law, including but not

limited to the Americans with Disabilities Act (42 U.S.C. §12101, et seq.), and the Rehabilitation Act (29 U.S.C. §701, et seq.).

1.3.4 Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the PROVIDER, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.

1.4 Insurance Requirements. The PROVIDER shall obtain from a company authorized by law to issue such insurance in the State of Hawai'i commercial general liability insurance ("liability insurance") in an amount of at least TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00) coverage for bodily injury and property damage resulting from the PROVIDER's performance under this Contract. The PROVIDER shall maintain in effect this liability insurance until the STATE certifies that the PROVIDER's work under the Contract has been completed satisfactorily.

The liability insurance shall be primary and shall cover the insured for all work to be performed under the Contract, including changes, and all work performed incidental thereto or directly or indirectly connected therewith.

A certificate of the liability insurance shall be given to the STATE by the PROVIDER. The certificate shall provide that the STATE and its officers and employees are Additional Insureds. The certificate shall provide that the coverages being certified will not be cancelled or materially changed without giving the STATE at least 30 days prior written notice by registered mail.

Should the "liability insurance" coverages be cancelled before the PROVIDER's work under the Contract is certified by the STATE to have been completed satisfactorily, the PROVIDER shall immediately procure replacement insurance that complies in all respects with the requirements of this section.

Nothing in the insurance requirements of this Contract shall be construed as limiting the extent of PROVIDER's responsibility for payment of damages resulting from its operations under this Contract, including the PROVIDER's separate and independent duty to defend, indemnify, and hold the STATE and its officers and employees harmless pursuant to other provisions of this Contract.

1.5 Notice to Clients. Provided that the term of this Contract is at least one year in duration, within ONE HUNDRED AND EIGHTY (180) days after the effective date of this Contract, the PROVIDER shall create written procedures for the orderly termination of services to any clients receiving the Required Services under this Contract, and for the transition to services supplied by another provider upon termination of this Contract, regardless of the circumstances of such termination. These procedures shall include, at the minimum, timely notice to such clients of the termination of this Contract, and appropriate counseling.

1.6 Reporting Requirements. The PROVIDER shall submit a Final Project Report to the STATE containing the information specified in this Contract if applicable, or otherwise satisfactory to the STATE, documenting the PROVIDER's overall efforts toward meeting the requirements of this

Contract, and listing expenditures actually incurred in the performance of this Contract. The PROVIDER shall return any unexpended funds to the STATE.

- 1.7 Conflicts of Interest. In addition to the Certification provided in the Standards of Conduct Declaration to this Contract, the PROVIDER represents that neither the PROVIDER nor any employee or agent of the PROVIDER, presently has any interest, and promises that no such interest, direct or indirect, shall be acquired, that would or might conflict in any manner or degree with the PROVIDER's performance under this Contract.

## 2. Documents and Files

### 2.1 Confidentiality of Material.

2.1.1 Proprietary or Confidential Information. All material given to or made available to the PROVIDER by virtue of this Contract that is identified as proprietary or confidential information shall be safeguarded by the PROVIDER and shall not be disclosed to any individual or organization without the prior written approval of the STATE.

2.1.2 Uniform Information Practices Act. All information, data, or other material provided by the PROVIDER to the STATE shall be subject to the Uniform Information Practices Act, chapter 92F, HRS, and any other applicable law concerning information practices or confidentiality.

2.2 Ownership Rights and Copyright. The STATE shall have complete ownership of all material, both finished and unfinished that is developed, prepared, assembled, or conceived by the PROVIDER pursuant to this Contract, and all such material shall be considered "works made for hire." All such material shall be delivered to the STATE upon expiration or termination of this Contract. The STATE, in its sole discretion, shall have the exclusive right to copyright any product, concept, or material developed, prepared, assembled, or conceived by the PROVIDER pursuant to this Contract.

2.3 Records Retention. The PROVIDER and any subcontractors shall maintain the books and records that relate to the Contract, and any cost or pricing data for three (3) years from the date of final payment under the Contract. In the event that any litigation, claim, investigation, audit, or other action involving the records retained under this provision arises, then such records shall be retained for three (3) years from the date of final payment, or the date of the resolution of the action, whichever occurs later. During the period that records are retained under this section, the PROVIDER and any subcontractors shall allow the STATE free and unrestricted access to such records.

## 3. Relationship between Parties

3.1 Coordination of Services by the STATE. The STATE shall coordinate the services to be provided by the PROVIDER in order to complete the performance required in the Contract. The PROVIDER shall maintain communications with the STATE at all stages of the PROVIDER's

work, and submit to the STATE for resolution any questions which may arise as to the performance of this Contract.

3.2 Subcontracts and Assignments. The PROVIDER may assign or subcontract any of the PROVIDER's duties, obligations, or interests under this Contract, but only if (i) the PROVIDER obtains the prior written consent of the STATE and (ii) the PROVIDER's assignee or subcontractor submits to the STATE a tax clearance certificate from the Director of Taxation, State of Hawai'i, and the Internal Revenue Service showing that all delinquent taxes, if any, levied or accrued under state law against the PROVIDER's assignee or subcontractor have been paid. Additionally, no assignment by the PROVIDER of the PROVIDER's right to compensation under this Contract shall be effective unless and until the assignment is approved by the Comptroller of the State of Hawai'i, as provided in section 40-58, HRS.

3.3 Change of Name. When the PROVIDER asks to change the name in which it holds this Contract, the STATE, shall, upon receipt of a document acceptable or satisfactory to the STATE indicating such change of name such as an amendment to the PROVIDER's articles of incorporation, enter into an amendment to this Contract with the PROVIDER to effect the change of name. Such amendment to this Contract changing the PROVIDER's name shall specifically indicate that no other terms and conditions of this Contract are thereby changed, unless the change of name amendment is incorporated with a modification or amendment to the Contract under paragraph 4.1 of these General Conditions.

3.4 Independent Contractor Status and Responsibilities, Including Tax Responsibilities.

3.4.1 Independent Contractor. In the performance of services required under this Contract, the PROVIDER is an "independent contractor," with the authority and responsibility to control and direct the performance and details of the work and services required under this Contract; however, the STATE shall have a general right to inspect work in progress to determine whether, in the STATE's opinion, the services are being performed by the PROVIDER in compliance with this Contract.

3.4.2 Contracts with Other Individuals and Entities. Unless otherwise provided by special condition, the STATE shall be free to contract with other individuals and entities to provide services similar to those performed by the PROVIDER under this Contract, and the PROVIDER shall be free to contract to provide services to other individuals or entities while under contract with the STATE.

3.4.3 PROVIDER's Employees and Agents. The PROVIDER and the PROVIDER's employees and agents are not by reason of this Contract, agents or employees of the State for any purpose. The PROVIDER and the PROVIDER's employees and agents shall not be entitled to claim or receive from the STATE any vacation, sick leave, retirement, workers' compensation, unemployment insurance, or other benefits provided to state employees. Unless specifically authorized in writing by the STATE, the PROVIDER and the PROVIDER's employees and agents are not authorized to speak on behalf and no statement or admission made by the PROVIDER or the PROVIDER's employees or

agents shall be attributed to the STATE, unless specifically adopted by the STATE in writing.

- 3.4.4 PROVIDER's Responsibilities. The PROVIDER shall be responsible for the accuracy, completeness, and adequacy of the PROVIDER's performance under this Contract.

Furthermore, the PROVIDER intentionally, voluntarily, and knowingly assumes the sole and entire liability to the PROVIDER's employees and agents, and to any individual not a party to this Contract, for all loss, damage, or injury caused by the PROVIDER, or the PROVIDER's employees or agents in the course of their employment.

The PROVIDER shall be responsible for payment of all applicable federal, state, and county taxes and fees which may become due and owing by the PROVIDER by reason of this Contract, including but not limited to (i) income taxes, (ii) employment related fees, assessments, and taxes, and (iii) general excise taxes. The PROVIDER also is responsible for obtaining all licenses, permits, and certificates that may be required in order to perform this Contract.

The PROVIDER shall obtain a general excise tax license from the Department of Taxation, State of Hawai'i, in accordance with section 237-9, HRS, and shall comply with all requirements thereof. The PROVIDER shall obtain a tax clearance certificate from the Director of Taxation, State of Hawai'i, and the Internal Revenue Service showing that all delinquent taxes, if any, levied or accrued under state law against the PROVIDER have been paid and submit the same to the STATE prior to commencing any performance under this Contract. The PROVIDER shall also be solely responsible for meeting all requirements necessary to obtain the tax clearance certificate required for final payment under section 103-53, HRS, and these General Conditions.

The PROVIDER is responsible for securing all employee-related insurance coverage for the PROVIDER and the PROVIDER's employees and agents that is or may be required by law, and for payment of all premiums, costs, and other liabilities associated with securing the insurance coverage.

3.5 Personnel Requirements.

- 3.5.1 Personnel. The PROVIDER shall secure, at the PROVIDER's own expense, all personnel required to perform this Contract, unless otherwise provided in this Contract.

- 3.5.2 Requirements. The PROVIDER shall ensure that the PROVIDER's employees or agents are experienced and fully qualified to engage in the activities and perform the services required under this Contract, and that all applicable licensing and operating requirements imposed or required under federal, state, or county law, and all applicable accreditation and other standards of quality generally accepted in the field of the activities of such employees and agents are complied with and satisfied.

#### 4. Modification and Termination of Contract

##### 4.1 Modifications of Contract.

4.1.1 In Writing. Any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract permitted by this Contract shall be made by written amendment to this Contract, signed by the PROVIDER and the STATE.

4.1.2 No Oral Modification. No oral modification, alteration, amendment, change, or extension of any term, provision or condition of this Contract shall be permitted.

4.1.3 Tax Clearance. The STATE may, at its discretion, require the PROVIDER to submit to the STATE, prior to the STATE's approval of any modification, alteration, amendment, change, or extension of any term, provision, or condition of this Contract, a tax clearance from the Director of Taxation, State of Hawai'i, and the Internal Revenue Service showing that all delinquent taxes, if any, levied or accrued under state and federal law against the PROVIDER have been paid.

4.2 Termination in General. This Contract may be terminated in whole or in part for a reduction in funds available to pay the PROVIDER, or when, in its sole discretion, the STATE determines (i) that there has been a change in the conditions upon which the need for the Required Services was based, (ii) that the PROVIDER has failed to provide the Required Services adequately or satisfactorily, or (iii) that other good cause for the whole or partial termination of this Contract exists. Termination under this section shall be made by a written notice sent to the PROVIDER ten (10) working days prior to the termination date that includes a brief statement of the reason for the termination. If the Contract is terminated under this paragraph, the PROVIDER shall cooperate with the STATE to effect an orderly transition of services to clients.

4.3 Termination for Necessity or Convenience. If the STATE determines, in its sole discretion, that it is necessary or convenient, this Contract may be terminated in whole or in part at the option of the STATE upon ten (10) working days' written notice to the PROVIDER. If the STATE elects to terminate under this paragraph, the PROVIDER shall be entitled to reasonable payment as determined by the STATE for satisfactory services rendered under this Contract up to the time of termination. If the STATE elects to terminate under this section, the PROVIDER shall cooperate with the STATE to effect an orderly transition of services to clients.

4.4 Termination by PROVIDER. The PROVIDER may withdraw from this Contract after obtaining the written consent of the STATE. The STATE, upon the PROVIDER's withdrawal, shall determine whether payment is due to the PROVIDER, and the amount that is due. If the STATE consents to a termination under this paragraph, the PROVIDER shall cooperate with the STATE to effect an orderly transition of services to clients.

4.5 STATE's Right of Offset. The STATE may offset against any monies or other obligations that STATE owes to the PROVIDER under this Contract, any amounts owed to the State of Hawai'i by the PROVIDER under this Contract, or any other contract, or pursuant to any law or other obligation owed to the State of Hawai'i by the PROVIDER, including but not limited to the

payment of any taxes or levies of any kind or nature. The STATE shall notify the PROVIDER in writing of any exercise of its right of offset and the nature and amount of such offset. For purposes of this paragraph, amounts owed to the State of Hawai'i shall not include debts or obligations which have been liquidated by contract with the PROVIDER, and that are covered by an installment payment or other settlement plan approved by the State of Hawai'i, provided, however, that the PROVIDER shall be entitled to such exclusion only to the extent that the PROVIDER is current, and in compliance with, and not delinquent on, any payments, obligations, or duties owed to the State of Hawai'i under such payment or other settlement plan.

## 5. Indemnification

- 5.1 Indemnification and Defense. The PROVIDER shall defend, indemnify, and hold harmless the State of Hawai'i, the contracting agency, and their officers, employees, and agents from and against any and all liability, loss, damage, cost, expense, including all attorneys' fees, claims, suits, and demands arising out of or in connection with the acts or omissions of the PROVIDER or the PROVIDER's employees, officers, agents, or subcontractors under this Contract. The provisions of this paragraph shall remain in full force and effect notwithstanding the expiration or early termination of this Contract.
- 5.2 Cost of Litigation. In case the STATE shall, without any fault on its part, be made a party to any litigation commenced by or against the PROVIDER in connection with this Contract, the PROVIDER shall pay any cost and expense incurred by or imposed on the STATE, including attorneys' fees.

## 6. Publicity

- 6.1 Acknowledgment of State Support. The PROVIDER shall, in all news releases, public statements, announcements, broadcasts, posters, programs, computer postings, and other printed, published, or electronically disseminated materials relating to the PROVIDER's performance under this Contract, acknowledge the support by the State of Hawai'i and the purchasing agency.
- 6.2 PROVIDER's Publicity Not Related to Contract. The PROVIDER shall not refer to the STATE, or any office, agency, or officer thereof, or any state employee, or to the services or goods, or both provided under this Contract, in any of the PROVIDER's publicity not related to the PROVIDER's performance under this Contract, including but not limited to commercial advertisements, recruiting materials, and solicitations for charitable donations.

## 7. Miscellaneous Provisions

- 7.1 Nondiscrimination. No person performing work under this Contract, including any subcontractor, employee, or agent of the PROVIDER, shall engage in any discrimination that is prohibited by any applicable federal, state, or county law.
- 7.2 Paragraph Headings. The paragraph headings appearing in this Contract have been inserted for the purpose of convenience and ready reference. They shall not be used to define, limit, or extend the scope or intent of the sections to which they pertain.

- 7.3 Antitrust Claims. The STATE and the PROVIDER recognize that in actual economic practice, overcharges resulting from antitrust violations are in fact usually borne by the purchaser. Therefore, the PROVIDER hereby assigns to the STATE any and all claims for overcharges as to goods and materials purchased in connection with this Contract, except as to overcharges which result from violations commencing after the price is established under this Contract and which are not passed on to the STATE under an escalation clause.
- 7.4 Governing Law. The validity of this Contract and any of its terms or provisions, as well as the rights and duties of the parties to this Contract, shall be governed by the laws of the State of Hawai'i. Any action at law or in equity to enforce or interpret the provisions of this Contract shall be brought in a state court of competent jurisdiction in Honolulu, Hawai'i.
- 7.5 Conflict between General Conditions and Procurement Rules. In the event of a conflict between the General Conditions and the Procurement Rules or a Procurement Directive, the Procurement Rules or any Procurement Directive in effect on the date this Contract became effective shall control and are hereby incorporated by reference.
- 7.6 Entire Contract. This Contract sets forth all of the contracts, conditions, understandings, promises, warranties, and representations between the STATE and the PROVIDER relative to this Contract. This Contract supersedes all prior agreements, conditions, understandings, promises, warranties, and representations, which shall have no further force or effect. There are no contracts, conditions, understandings, promises, warranties, or representations, oral or written, express or implied, between the STATE and the PROVIDER other than as set forth or as referred to herein.
- 7.7 Severability. In the event that any provision of this Contract is declared invalid or unenforceable by a court, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining terms of this Contract.
- 7.8 Waiver. The failure of the STATE to insist upon the strict compliance with any term, provision, or condition of this Contract shall not constitute or be deemed to constitute a waiver or relinquishment of the STATE's right to enforce the same in accordance with this Contract. The fact that the STATE specifically refers to one provision of the Procurement Rules or one section of the Hawai'i Revised Statutes, and does not include other provisions or statutory sections in this Contract shall not constitute a waiver or relinquishment of the STATE's rights or the PROVIDER's obligations under the Procurement Rules or statutes.
- 7.9 Execution in Counterparts. This Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one instrument.

## SPECIAL CONDITIONS

**1. AVAILABILITY OF FEDERAL FUNDS: THIS AGREEMENT BECOMES VALID, BINDING, AND ENFORCEABLE ONLY WHEN THE STATE RECEIVES A NOTICE OF OBLIGATION FROM THE U.S. DEPARTMENT OF LABOR PROVIDING THE STATE FUNDING AUTHORITY TO OPERATE PROGRAMS UNDER THE WORKFORCE INVESTMENT ACT (WIA) FOR THE GRANT PERIOD BEGINNING JUNE 20, 2008 TO JUNE 30, 2010. WHEN THIS AGREEMENT BECOMES VALID, BINDING AND ENFORCEABLE, THIS AGREEMENT WILL BE EFFECTIVE AS OF JUNE 20, 2008 OR THE DATE OF EXECUTION, WHICHEVER IS LATER. IN ADDITION, SHOULD THE U.S. DEPARTMENT OF LABOR IMPOSE A LIMIT ON THE AMOUNT OF FUNDS AVAILABLE IN THE FIRST QUARTER OR AT ANY TIME, FUNDING RESTRICTIONS MAY BE IMPOSED UNTIL THE STATE RECEIVES A NOTICE OF OBLIGATION FOR ALL FUNDS ALLOCATED TO THE STATE FOR THIS PROGRAM.**

**2. Failure to Deliver:** The inability of the PROVIDER to provide the necessary personnel shall not be an acceptable reason for failure to complete the services required. Failure to complete any part of the services contained in Exhibit A, Scope of Services, shall be deemed to be a total failure to deliver service, entitling the STATE to terminate this Agreement. The service shall not be deemed delivered or performance completed, until all elements of each service are delivered and/or completed and accepted by the STATE.

**3. Nondiscrimination:** In addition to the requirements stated in Item 1.3.4 of the General Conditions, the PROVIDER must provide initial and continuing notice that it does not discriminate on any prohibited grounds to: a) registrants and applicants, b) participants, c) applicants for employment and employees, d) unions or professional organizations that hold collective bargaining or professional agreements with the PROVIDER, e) subrecipients that receive WIA Title I funds from the PROVIDER, and f) members of the public, including those with impaired vision or hearing in accordance with Section 37.29 and Section 37.30 of the Final Rule for Implementation of the Nondiscrimination and Equal Opportunity Provisions of the Workforce Investment Act of 1998 (29 CFR Part 37).

**4. Access to Records:** In addition to the requirements stated in Item 2.3 of the General Conditions, as PROVIDER is receiving Federal Funds under this Agreement, the PROVIDER shall comply with all regulations and requirements of the U.S. Department of Labor and complete all required forms and documents. The PROVIDER shall allow full access to records, reports, files, and other documents so that the program, management and fiscal practices may be monitored by Federal representatives directly connected with the program area or their duly authorized representatives.

**5. Records Retention:** The PROVIDER and any subcontractors shall maintain the books and records that relate to the Agreement, and any cost or pricing data for three (3) years from the date of final payment or the date the final expenditure report is submitted under the

Agreement, which ever occurs later. In the event that any litigation, claim, investigation, audit, or other action involving the records retained under this provision arises, then such records shall be retained for three (3) years from the date of final payment, final expenditure report is submitted, or the date of the resolution of the action, which ever occurs later. During the period that records are retained under this section, the PROVIDER and any subcontractors shall allow the STATE free and unrestricted access to such records.

**6. Subcontracts and Assignments:** In addition to the requirements stated in Item 3.2 of the General Conditions, the PROVIDER shall apply the same standards of this Agreement to any assignee or subcontractor. The PROVIDER shall also ensure that the PROVIDER's assignee or subcontractor does not engage in discrimination that is prohibited by any applicable federal, state, or county law. Prior to draw down of funds by subcontractors, the subcontractors budget documents may be subject to review and approval by the STATE.

**7. Termination of Agreement:** In addition to the requirements stated in Item 4.3 of the General Conditions, if this Agreement is terminated, all funds not obligated prior to the date of termination held by the PROVIDER, under this Agreement shall be immediately returned to the STATE.

**8. Modifications of Agreement:** In addition to the requirements stated in Item 4.1 of the General Conditions, no amendment, modification, alteration, or change of any term, provision, or condition of this Agreement may be made during the last quarter of the Agreement, unless the STATE initiates the request for an amendment, modification, alteration, or change of any term, provision, or condition of this Agreement. All modifications are not valid unless fully executed by all parties.

**9. Fiscal Liability:** The PROVIDER shall assume for the U.S. Department of Labor and the STATE, financial and fiscal liability for the proper administration of funds received pursuant to the Workforce Investment Act. The PROVIDER agrees to reimburse the STATE from non-federal funds for any funds under this Agreement which are determined by the STATE or the U.S. Department of Labor to be disallowed or improperly spent by the PROVIDER.

**10. Program Income:** The PROVIDER may utilize the "addition method", (as set forth in OMB Circulars A-87, A-21, and A-122), if any program income is generated throughout the duration of this Agreement. The PROVIDER is allowed to deduct costs incident to generating program income to arrive at the net program income.

**11. Deletion of Portions of Agreement:** For purposes of the Agreement to which this Exhibit "E" is attached, paragraph 5 of the Agreement, "Standards of Conduct Declaration", together with the STANDARDS OF CONDUCT DECLARATION, Exhibit "C", are deleted and the parties agree that paragraph 5 of the Agreement and Exhibit "C" are not applicable.

**12. Non-applicable Sections of General Conditions (Exhibit "D"):** For the purpose of this Agreement, the following sections of Exhibit "D"—General Conditions shall not be applicable:

Item 1.4	Insurance
Item 3.4.4	General Excise Tax License paragraph only
Item 4.1.3	Tax Clearance

**13. Final Reports:** In addition to the requirements stated in Item 1.6 of the General Conditions, the PROVIDER shall submit a completed close-out package within sixty (60) days after the expenditure of the entire awarded amount or the termination of the Agreement. All forms for the final reports to be completed by the PROVIDER may be found in the STATE's Workforce Investment Act, Financial Management Manual, Appendix A.

**14. Code of Conduct:** The PROVIDER shall maintain a written code of standards of conduct governing the performance of their employees engaged in the Agreement and administration of contracts.

**15. Additional Rights:** It is understood and agreed to by the PROVIDER that the federal cognizant agency (the United States Department of Labor) shall be accorded the same rights and privileges as the STATE as described in this Agreement.

**16. Salary and Bonus Limitations:** In compliance with Public Law 109-234, none of the funds appropriated in Public Law 109-124 or prior Acts under the heading "Employment and Training" that are available for expenditure on or after June 15, 2006, shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses on an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II, except as provided for under section 101 of Public Law 109-149. This limitation shall not apply to vendors providing goods and services as defined in OMB Circular 1-133. Where states are recipients of such funds, states may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the state, the compensation levels for comparable state or local government employees, and the size of the organization that administers federal programs involved including Employment and Training Administration programs.

**17. Buy American Notice Requirement:** It is the sense of Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available under the Workforce Investment Act should be American made. See WIA Section 505—Buy American Requirements.

ATTACHMENT 1

ANNUAL PLAN

NATIONAL EMERGENCY GRANT  
Aloha and ATA Airlines  
ANNUAL PLAN

In partnership with the Department of Labor and Industrial Relations, Workforce Development Division, the City and County of Honolulu, Oahu WorkLinks will provide core, intensive and training services to former employees of Aloha and ATA airlines.

**Core Services** will include:

- 1) Eligibility determination and enrollment into the NEG-Aloha program.
- 2) Outreach, intake and orientation to other services that are appropriate and available at the One-Stop Center
- 3) Assessment of skill levels, aptitudes, abilities and need for supportive services
- 4) Job search activities, placement assistance and the use of HireNet
- 5) Career guidance and counseling
- 6) Labor market information such as demand occupations and job skills requirement, training preparation and wage information
- 7) Information and referral to eligible training providers including providers of adult education, and other available post-secondary education
- 8) Information on available support services
- 9) Follow-up services upon completion of training and placement

Upon determination that intensive services are necessary for an individual, appropriate intensive services shall be provided in a timely manner.

**Intensive Services** will be provided to those who are 1) unemployed and unable to obtain employment through core services and have been determined to be in need of intensive services or 2) who are employed but have been determined to be in need of intensive services to obtain or retain employment that allows self-sufficiency. Intensive services include:

- 1) Comprehensive and specialized assessments of skill levels and service needs of dislocated workers including diagnostic testing and other assessment tools and in-depth interviewing and evaluation
- 2) Development of an Individual Employment Plan (IEP) which identifies the worker's employment goals and objectives and identify services needed to achieve goals
- 3) Group or individual counseling, career planning and job club activities
- 4) Case management while receiving intensive services and while enrolled in training services
- 5) Short-term pre-vocational services including development of learning skills, personal maintenance skills, and professional conduct to prepare dislocated workers for employment and training

**Training Services** will include, but not limited to:

- 1) Occupational skills training, including training in non-traditional **employment**
- 2) Programs conducted by the private sector
- 3) Skill upgrade and retraining
- 4) Entrepreneurial training
- 5) Customized training conducted with a commitment by an employer or **group of employers** to employ an individual upon successful completion of **the training**

# ATTACHMENT 2

## BUDGET

# WORKFORCE INVESTMENT ACT BUDGET INFORMATION SUMMARY

National Emergency Grant

I. IDENTIFYING INFORMATION		Initial as of 06/09/08					
A. Name & Address City & County of Honolulu Department of Community Services 715 South King St. Suite 311 Honolulu, Hawaii 96813	B. Type of Program Workforce Investment Act Programs <input checked="" type="checkbox"/> National Emergency Grant	C. Annual Plan/Agreement Number WIA-08-NEG-AL-O					
		D. Mod Number INITIAL					
		E. Annual Plan/Agreement Period From: June 1, 2008 To: June 30, 2010					
II. CUMULATIVE PROJECTIONS OF EXPENDITURES							
A	B	C		D		E	F
Grant Function or Activity by Cost Category	TOTAL BUDGET	1st QTR 06 / 30 / 08	2nd QTR 09 / 30 / 08	3rd QTR 12 / 31 / 08	4th QTR 03 / 31 / 09		
1. Total Projected Expenditures	1,400,000.00	29,166.00	200,520.00	371,874.00		543,228.00	
2. Core & Intensive Services	538,456.00	10,728.00	76,419.00	142,110.00		207,801.00	
3. Supportive Services	109,806.00	2,542.00	16,225.00	29,908.00		43,591.00	
4. NEG Funded Training	677,762.00	14,432.00	97,349.00	180,266.00		263,183.00	
5. Administration	73,976.00	1,464.00	10,527.00	19,590.00		28,653.00	
6. Other	0.00	0.00	0.00	0.00		0.00	
7. Subrecipient Total Projected Obligations							
7a. No. of Persons to be Registered	400						
7b. Estimated WIA Cost Per Person Registered	3,500.00						

