



MINNESOTA DEPARTMENT OF
COMMERCE

**YOUR CONTRACT:
THE FORGOTTEN COMPLIANCE
DOCUMENT**

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Presentation Goals

- Increased knowledge of the contract's contents
 - Better understanding of how the contract fits into ongoing weatherization activities
- Focus: Major items in contract
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CONTRACT DEFINITION

- A legally binding agreement
 - Between two or more parties
 - For the doing or not doing of something specified.

 - A promise exchanged for consideration.
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YOUR WAP CONTRACT

- cornerstone of the your relationship with Commerce
 - Direct or indirect source of all compliance requirements
 - Requirements can appear in the
 - Contract only,
 - Contract and another reference document,
 - Reference document only
 - Incorporation by reference
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INTRODUCTION AND RECITALS

- Introduction: Names the parties to the contract:
 - Commerce is referred to as the State.
 - Service Provider is referred to as the Grantee.

 - The recitals tell
 - The sources of the funds.
 - That the State (Commerce) is empowered to enter into contracts.
 - That the grantee states that it is qualified and agrees to perform all services described.
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TERMS OF THE CONTRACT

(Item 1)

- Contract start and end dates: July 1 to June 30
 - Some funds may be carried over from one contract to the next
 - Contract must be fully executed prior to beginning work and incurring costs
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TERMS OF THE CONTRACT

(Item 1 continued)

- Notice of Funds Available (NFA) governs the
 - Amount of funds you can spend
 - Start/end dates for incurring costs

 - Survival of terms: some provisions are enforceable after the contract ends
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GRANTEE'S DUTIES (Item 2)

➤ By signing the contract the grantees agree to:

- Perform the duties as specified by eHEAT budgets and work plans
 - Use both eHEAT and Weatherization Assistant (WA)
 - Perform in compliance with documents incorporated by reference
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GRANTEE'S DUTIES (Item 2)

- Agrees to transition to Standard Work Specifications (SWS) <https://sws.nrel.gov/>
 - All inspections on or after 4/1/15 must conform
 - USDOE uses SWS to
 - Define quality work
 - Describe acceptable outcomes
 - Each SWS includes
 - Minimum action
 - Desired outcome
 - More information and training at a later date
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CONSIDERATION/PAYMENT

(Item 4)

- Consideration and conditions: Grantee will be paid for eligible costs incurred that are:
 - Performed to the State's satisfaction
 - In accordance with laws/rules/ordinances.
 - According to NFA and eHEAT allocation

 - No payment for work that is unsatisfactory or violates laws and rules.

 - The State will pay promptly although 30 days is allowed by State rules.
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REPAYMENT (Item 4 continued)

- Grantee will repay the State for costs which:
 - Are not eligible.
 - Records do not clearly substantiate.
 - Have or will be compensated by another entity.
 - Are identified as financial audit exceptions.
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REPORTING (Item 9)

- Grantee will provide all required reports:
 - Monthly FSRs and program reports
 - Due on the 10th calendar day of the month
 - Note: Changed to 10th due to Grantee feedback
 - Final FSR no later than 30 calendar days after the expiration of the contract
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MONITORING/CORRECTIVE ACTION (Item 10)

- For monitoring purposes, Grantee must:
 - Give State access to business sites
 - Secure written permission from clients for on-site inspections
 - Cooperate with the State
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MONITORING/CORRECTIVE ACTION (Item 10 continued)

- Grantee must implement any corrective action if the State finds:
 - Deficiencies in performance
 - Non-Compliance with contract requirements
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FINANCIAL RECORDS (Item 11)

- Grantee must have accounting procedures that fully lay out expenses:
 - Assure/promote sound financial management.
 - Include effective internal controls.
 - Maintain records in accordance with Generally Accepted Accounting Principles (GAAP)
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AUDITS (Item 12)

- Audits may be conducted for a minimum of six years after contract ends by:
 - Commerce
 - State Auditor or Legislative Auditor
 - USDOE and DHHS may also audit
 - State can request a program-specific audit
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GOVERNMENT DATA PRACTICES (Item 13)

- Compliance with the MN Government Data Practices Act.
 - Includes all data created, collected, used,
 - Grantee must notify the State if it received a request to release data.
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INTELLECTUAL PROPERTY RIGHTS (Item 13 continued)

- *Intellectual property* is any product of the human intellect protected from unauthorized use by others.
 - Grantee owns the rights to intellectual properties **BUT**
 - Must grant the State a perpetual license to use/distribute
 - Note: Contact Commerce for more info about federal requirements
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PERSONAL PROPERTY (Item 14)

- Contract restates that prior permission to purchase is required for property valued at \$5,000 or more.

 - Non-expendable personal property purchased with program funds:
 - Defined as any item (including equipment) with a useable life of more than one year
 - Is the property of the State.
 - Will be the subject of an annual inventory.
 - Must be returned to the State within 30 days of the end of the grant.

 - Does not include weatherization materials
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WORKERS COMPENSATION (Item 15)

- Grantee certifies that it is in compliance with MN Workers' Compensation law

 - Grantees' employees are not State employees and any claims made are the responsibility of the Grantee.
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EQUAL OPPORTUNITY

(Items 16 and 22)

- Grantee must have a Certificate of compliance from the Minnesota Commissioner of Human Rights.
 - Any contract Grantee has with contractors, vendors, materials suppliers must have language that prohibits discrimination.
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PUBLICITY/ENDORSEMENT

(Item 17)

- Publicity regarding the subject matter of this grant:
 - Must identify the State and USD OE as sponsors
 - Requires prior written approval from the State

 - Grantee must not claim that the State or USD OE endorses its products or service
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PLAIN LANGUAGE (Item 18)

- All written materials developed or used to communicate with applicants must be understandable to a person of average intelligence or education.

TERMINATION (Item 20)

- State may terminate the contract :
 - By written notice
 - With or without cause with 30 day notice.
 - Immediately where there are insufficient funds.

 - Grantee may also terminate the contract
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PAYMENT/REPAYMENT/ COOPERATION (Item 20 continued)

➤ Grantee will be:

- Paid for work satisfactorily completed on a pro-rata basis.
 - Required to repay the State for ineligible costs.
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PAYMENT/REPAYMENT/ COOPERATION (Item 20, cont.)

- Grantee will fully cooperate in the transfer of:
 - Program information
 - Program records
 - Program equipment
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CRIMINAL BACKGROUND CHECKS (Item 23)

- Grantee will conduct criminal background checks
 - Each Grantee sets criteria
 - Use the MN Bureau of Criminal Apprehension's Computerized Criminal History system. *(It is free of charge)*
 - For all employees, crews, contractors hired after 7/1/2009. *(Includes subcontractors)*
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SUMMARY

- A weatherization contract is:
 - The source of all other compliance requirements
 - The basis for the relationship between the Service Providers and Commerce

 - Keep it handy and use it as a reference
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QUESTIONS?

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