

04 NCAC 20B .0203 CONTRACT STANDARDS

(a) In consideration for receiving JTPA funds from the Division, the subrecipient shall enter into an agreement with the Division. Agreements may be subgrant agreements, contracts for job training services or contracts for services or goods. All agreements are subject to existing purchase and contract regulations, except as specifically exempted.

(b) Contracts for the purchase of services, other than job training services, and goods are governed solely by the purchase and contract regulations, except to the extent the procurement falls under the federal regulations. Contracts for small purchases, that is contracts for services or goods that do not exceed ten thousand dollars (\$10,000) in the aggregate from a single contractor in a single billing period, shall be construed by the Division to be exempt from the federal regulations as to content and provisions for services and goods contracts.

(c) Contracts for job training services are subagreements for carrying out the substantive parts of the project for the purposes of the federal regulations.

(d) Subgrants and contracts for job training services must contain the following minimum requirements:

- (1) A plan of work, such as a job training plan or a proposal or application;
- (2) A budget;
- (3) A period of services, with a stipulation that the agreement shall not be considered completed for statute of limitation purposes until final federal action on any disallowed costs incurred under the agreement;
- (4) Agreement to comply with applicable federal and state laws and procedures;
- (5) A recognition of the Division's right to modify the terms to comply with changes in federal law or state statutes, provided that except where such changes are permitted to have retroactive effect, such unilateral modification may only have prospective effect;
- (6) Reasonable constraints on subcontracting and subcontract terms;
- (7) Budgeting, invoicing, payment and closeout provisions, including provisions requiring the subgrantee or contractor to return unexpended funds to the Division, to waive claims to reimbursement for costs not submitted with the closeout period and to acknowledge the Division's right to offset, withholding and other appropriate recoupment procedures, including repayment;
- (8) Recordkeeping, reporting and accounting provisions, consistent with federal law and state policies;
- (9) Provisions relative to property procurement and management;
- (10) Civil rights assurances, including provisions for a grievance procedure as required and identification of an equal employment opportunity officer;
- (11) Provisions permitting monitoring, oversight and investigation by division and federal personnel;
- (12) Prior approval of the governing board or authorized official, if such is required;
- (13) The hearings procedure applicable to the agreement and disputes thereunder;
- (14) Provisions relating the amendment of the agreement, acknowledging the Division's right to amend the agreement unilaterally in those instances in which the Division is permitted by law to amend unilaterally, such as when the Division relieves the subgrantees or contractor of an obligation under the agreement, and in those instances when a change in federal or state law or a clarification in state policy requires an amendment, provided that such amendments, unless otherwise permitted to have retroactive effect, will have prospective effect only; and
- (15) The signatures of the authorized signatories for the Division and for the subgrantee or contractor, although the signatures may occur on identical counterparts of the same agreement.

(d) The goals and obligations of the subgrantee or contractor must be clearly addressed in the job training plan or application or proposal and must be stated in unambiguous terms. The approval of a subgrant or a contract and its execution by the Division does not constitute agreement by the Division that the requirements of this Paragraph have been satisfied.

(e) To the extent that any language in the job training plan or contract application or proposal or any term of the contract or subgrant conflicts with federal law, it shall be construed, if possible, in a manner that shall not cause a conflict with federal law, and if such is not possible, it shall be construed as void ab initio but shall not effect the remainder of the subgrant or contract.

*History Note: Authority G.S. 143-277; 143B-430(b); 20 C.F.R. 629.34; 41 C.F.R. 29-70; Ex. O. 93, June 8, 1983;
Eff. February 1, 1976;
Transferred from T01: 18 Eff. September 15, 1981;
Amended Eff. October 1, 1984; August 1, 1982;*

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. April 27, 2019.