

CONTRACT NO. V101 (223C) P-58

Between the United States of America acting through the United States Department of Veterans Affairs (hereinafter referred to as VA) and the State of California (hereinafter referred to as the "State") acting through its Agency known as California State Approving Agency For Veterans Education (hereinafter variously referred to as the "State approving agency" or the "SAA") located at 1227 O Street, Suite 625, Sacramento, CA 95814

WITNESSETH:

WHEREAS, the Governor or the legislature of the State has designated a State department or agency to be the State approving agency for the purposes of approval of courses and programs in accordance with the provisions of title 38, United States Code; and

WHEREAS, VA is authorized under the provisions of 38 U.S.C. § 3674 to reimburse the SAA for reasonable and necessary expenses of salary and travel incurred by employees of the SAA and for work performed by its approved subcontractor(s) in rendering necessary services in ascertaining the qualifications of educational institutions and/or training establishments to furnish courses of education under the provisions of the law, and in the supervision of such educational institutions and/or training establishments; and

WHEREAS, the State accepts responsibility under the provisions of 38 U.S.C. § 3671 for approval and supervision of courses offered by qualified educational institutions and/or training establishments in accordance with the standards and provisions of chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, section 510 and chapters 1606 and 1607 of title 10, United States Code, and title 38, Code of Federal Regulations, whichever are applicable;

NOW THEREFORE, in consideration of the promises and mutual covenants and agreements hereinafter contained, the parties hereto do mutually agree as follows:

ARTICLE I - AREAS OF STATE RESPONSIBILITY

1. The SAA shall perform duties necessary for the inspection, approval, compliance, and supervision of those courses or programs, or tests to be pursued by veterans and eligible persons under the provisions of chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, and section 510 and chapters 1606 and 1607 of title 10, United States Code, as are specifically set forth in this paragraph and pursuant to the detailed plan as outlined in the referenced schedules, which are attached hereto and incorporated as part of this contract. SAAs shall perform the areas of responsibilities per Schedules 1 through 3 unless another SAA in the state accepts responsibility for the programs. SAAs shall adhere to PL-114-315.

TYPE OF PROGRAM OR COURSE	SCHEDULE NUMBER
a. Institutions of Higher Learning (IHL) & Non-College Degree, Accredited & Non-Accredited	1
b. Licensing & Certification Testing Establishments, Governmental & Non-Governmental	3
c. Apprenticeship, On-the-Job Training (OJT)	2

ARTICLE II - APPLICATIONS – APPROVALS

1. Except to the extent otherwise provided by law, the SAA shall require an educational institution and/or training establishment desiring to secure approval of courses or programs, or organizations desiring to provide testing for a license or certification, to be pursued by veterans and eligible persons in accordance with the provisions of chapters 30, 32, 33, 34, 35 and 36 of title 38, United States Code, and section 510 and chapters 1606 and 1607 of title 10, United States Code, to submit a written application in accordance with the provisions set forth in the appropriate schedule identified in Article I. SAAs shall review all standard college degree programs in accredited public and not-for-profit institutions of higher learning to determine whether or not those programs meet the requirements of 38 U.S.C. § 3672 (2)(A). SAAs shall approve all non-degree programs, and contracted standard college-degree programs, in accredited public and not-for-profit institutions of higher learning that have standard degree programs deemed approved, utilizing provisions of USC § 3675 for approval criteria. See 38 U.S.C. § 3672 and 3675, as amended by Pub. L. No. 111-377 § 203. SAAs shall review all other programs outlined in 38 USC § 3672 (2)(A)(ii) through (iv), ensuring programs meet the required statutory criteria outlined in 3672 (2)(A). SAAs shall be the point of contact for all deemed approved programs and for inquiries.

2. The State Approving Agency (SAA) shall ensure an educational institution's and/or training establishment's program approval is in accordance with the provisions of title 38 of United States Code (USC), title 38 of the Code of Federal Regulations (CFR), case law applying that authority and will take into account VA's published interpretation of statute, regulation, and case law (e.g. in agency guidance or the Federal Register).

3. SAAs shall incorporate PL 112-249, section 2 (d)(1) into approval criteria for all programs reviewed for approval.

4. The SAA, after final determination on an application of the educational institution, training establishment, or organization providing testing, shall promptly provide VA and the educational institution, training establishment, or organization providing testing with a written report of the details of each approval or disapproval as required by the appropriate schedule, including, in the case of disapproval, the reason or reasons therefor.

5. The SAA shall promptly suspend and/or disapprove programs, in accordance with the provisions of title 38 of United States Code (USC), title 38 of the Code of Federal Regulations (CFR), case law applying that authority, and will take into account VA's published interpretation of VA's published interpretation of statute, regulation, and case law (e.g. in agency guidance or the Federal Register). The SAA shall promptly provide VA with written notice of each amendment, modification, suspension, or withdrawal of any course or program approval and the reasons for the action. In the case of a program that was deemed approved in accordance with 38 U.S.C. § 3672, the SAA shall provide to VA the reasons and basis for such action.

6. The appropriate State Approving Agency shall disapprove a course of education provided by a public IHL for all beneficiaries under the Post-9/11 GI Bill (chapter 33 of title 38, United States Code) and Montgomery GI Bill-Active Duty (chapter 30 of title 38, United States Code) if a covered individual, while living in that state, is charged tuition and fees at a higher rate than that charged to residents of the State, regardless of the covered individual's State of residence. See 38 USCS Section 3679(c).

7. In any case where the SAA suspends or withdraws the approval of an approved educational institution, training establishment, or organization providing testing, the SAA shall notify the institution, establishment, or organization of the suspension or withdrawal of approval by registered or certified letter and shall secure a return receipt.

8. A notification form from each high school seeking approval of its courses shall be required.

ARTICLE III – INSPECTION, TECHNICAL, AND COMPLIANCE VISITS

1. Inspections and technical or compliance visits by the SAA of educational programs offered by institutions, training establishments, or organizations providing testing to determine their qualifications for furnishing approved courses and programs shall be conducted in accordance with the provisions of the schedules listed in Article I. VA will coordinate with State Approving Agencies in advance of any compliance visits by providing a listing of educational institutions and training establishments that require compliance visits during the fiscal year. SAAs will follow procedures prescribed by VA when preparing and completing compliance visits. The SAA will complete a compliance visit to all 300-plus student and for-profit schools that are identified on the compliance listing, although a COR may request modification to the visit list based on other established priorities. All facilities shown in the listing shall be included in the Business Plan (Table 5). The SAA shall complete all tasks (pre and post compliance utilizing VA procedures and systems, including Eforce C&L) associated with the compliance visit. If mitigating circumstances prevent completion of the required number of visits set forth in the Business Plan, the SAA will immediately notify the Education Liaison Representative (ELR) and the Contracting Officer Representative (COR). SAAs may exercise professional judgment in conducting additional institutional and facility visits (in addition to the required compliance visit listing) to the degree possible within available resources. The additional school or facility visits shall not impact required compliance or approval work, and a visit report must be submitted to the ELR. (See Article V, paragraph 4).

2. VA shall report to the SAA each case in which VA has information that a course, program, or test does not meet the standards for approval set forth in the appropriate schedule under Article I of this agreement. In all such cases, and in the case of other irregularities found by the SAA, the SAA will take action within 30 days (or 60 days, if the SAA requests in writing, and VA authorizes additional time to act) after the date of VA's report or the SAA's discovery of such irregularities, either to secure immediate compliance with approval standards or correction of such irregularities, or to withdraw its approval of the course, program, or test. To inform VA of irregularities and actions taken, SAAs shall forward school suspension or withdrawal letters pertaining to fraud, erroneous, or misleading practices to VA Central Office at least one day prior to their release.

3. SAAs shall access VA's GI Bill Feedback System (Complaint System) to assess the number, nature and status of any complaints against a school/facility prior to performance of a compliance survey.

4. All compliance survey visits must be performed before August 15th of the contract year.

ARTICLE IV – PRINCIPLES OF EXCELLENCE

1. SAAs shall comply with, and enforce, applicable requirements outlined in Executive Order 13607, Principles of Excellence. For those schools that have agreed to adhere to the Principles of Excellence, areas of compliance or non-compliance with the Principles of Excellence will be validated during compliance surveys and documented on the Principles of Excellence addendum to VA Form 22-1934.

2. The SAA shall perform as requested Targeted Risk Based Reviews in accordance with established procedures. In addition, SAAs shall access VA's GI Bill Feedback System to assess the number and nature of any complaints against a school/facility prior to performance of a Targeted Risk Based Review.

3. SAAs that receive substantive complaints from students shall encourage those students to enter their complaints into VA's GI Bill Feedback System, or the SAA may enter the complaints on the students' behalf. The SAA will investigate student complaints as appropriate or as requested by VA.

ARTICLE V - REPORTS - RECORDS

1. The SAA shall submit to VA the Compliance Survey Worksheet for each student, and the original VA Form 22-1934, Compliance Survey Report for each compliance visit in accordance with the provisions of the appropriate schedule under ARTICLE I. Each report must provide the name and address of the institution, establishment, or organization; the purpose of the visit; specific types of records examined; any changes in approval status; any discrepancies or irregularities found; any corrective action taken; any action the institution, establishment, or organization is required to take directly with VA; and any finding, based on the records examined, that the course or program either continues to meet requirements for approval or fails to do so.

2. The SAA shall maintain complete approval records for all approved courses or programs. When an approval is withdrawn, the approval records will be retained for a period of at least 6 years from the date of disapproval of the course or program.

3. The SAA shall submit to VA a written report of the results of any special investigation or inspection of an educational institution or training establishment that is conducted at the (written) request of VA. The report shall respond to each item referred to the State by VA that involves areas in question that fall within the purview of the State's responsibility.

4. The SAA shall submit to VA a copy of the written narrative report of each technical assistance visit to an educational institution or training establishment. Such visits shall be conducted by the SAA to provide to the educational institution or training establishment technical assistance relating to the approval process and for purposes of supervision.

5. In conjunction with outreach services furnished by the Secretary of Veterans Affairs, for education and training benefits, each State approving agency shall conduct outreach programs and provide outreach services to eligible persons and veterans in their state about education and training benefits available under applicable Federal and State law. The Outreach plan will be developed in conjunction with Chief Education Liaison Officers (CELOs) and CORs (ELRs) to utilize appropriate staffing resources. "Outreach" is defined as an activity designed to promote increased participation and utilization by eligible veterans or persons of VA or Department of Defense educational assistance programs. Emphasis will be given to developing job-readiness skills and employment opportunities for VA program participants. "Outreach" also includes any activity, which encourages educational institutions, training establishments, or organizations providing testing for a license or certification to obtain approval for VA purposes of courses and programs. Outreach activities by the SAA may include, but are not limited to, employer visits, workshops and presentations, Transition Assistance Program (TAP) briefings, meetings, mailings, media announcements, telecommunication activities, and computer applications. The SAA shall submit to VA a written report of each outreach visit made. The report shall include pertinent names, dates, number of attendees, length of time spent at the event (not including travel time), address(es) of the event, and a description of the activities performed at the event.

6. The SAA shall submit to VA (through the assigned ELR) copies of outreach pamphlets and informational materials purchased with administrative funds under this contract to promote VA educational assistance benefits.

7. The SAA shall submit to VA, by electronic means, a quarterly report showing the number of approval actions and technical assistance, inspection, approval, and compliance visits, made to educational institutions and/or training establishments for which reimbursement is requested by the SAA pursuant to the terms of this agreement. Such quarterly report will be accessed and monitored by

the Contract Management Staff (223C) and the ELR. The respective dates for submission will be no later than the following: February 1, 2018, May 1, 2018, August 1, 2018, and October 11, 2018. The last quarterly report shall clearly reflect the status, including the reason for lack of completion, of all incomplete compliance surveys where an end product has not been taken. The SAA will be considered non-compliant with the standards and provisions of this section should reports not be submitted on a timely basis.

8. The SAA shall maintain records and books of accounts showing in detail the actual cost to the SAA for salary and fringe benefits, outreach activities, travel, and approved subcontractor services for which reimbursement is requested from VA under this agreement. Such records shall be open to the authorized representatives of the Federal Government for purposes of verification and audit or review, either before or after invoices are submitted for payment.

9. The SAA shall, as requested by VA, obtain information concerning compliance of educational institutions and/or training establishments with title VI of the Civil Rights Act of 1964 (Public Law 88-352), 42 U.S.C. Chapter 21, Subchapter V, §§ 2000d-2000d-4 (January 3, 2007).

10. The immediate Supervisor of the person in charge of the contract (SAA Director or Administrator) is Deputy Secretary Keith Boylan. SAAs will notify the COR within 30 days if there is a change to this Supervisory position during the fiscal year.

11. The SAA, as requested by VA, shall provide reports regarding the number and outcome of student complaints.

12. The SAA shall be authorized to access VA information and VA information solely to perform functions necessary under this contract. VA has authority to disclose this information to the SAA consistent with 38 U.S.C. §5701. Information disclosed to the SAA by VA is contained in the Privacy Act System of Records, "VA Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records - VA (58VA21/22/28)" and disclosure is authorized pursuant to routine use.

ARTICLE VI - REVIEWS AND AUDITS

1. VA shall reconcile each monthly or quarterly invoice submitted by the State against Article X of this contract and shall verify the reimbursement amount claimed for the period covered by the invoice. Amounts invoiced must be documented by State travel vouchers, inspection/visit reports, and a statement of the hourly time distribution for employees performing other than solely VA-related activities. The SAA shall maintain a balance sheet, by category, of all expenditures. The balance sheet must be updated monthly or whenever a proper invoice is paid. A copy of the balance sheet will be made available to the VA Central Office (VACO) upon request.

2. The State shall obtain an audit of the accounts and records associated with the claims for reimbursement in accordance with the requirements of OMB Circular A-133 (revised June 26, 2007). A copy of the audit shall be made available to VACO upon request.

ARTICLE VII - PERSONNEL STANDARDS

1. The State shall use fully qualified personnel in accordance with qualification and performance standards mandated by 38 U.S.C. § 3674A(a)(b), Subpart 52.209-1 (FEB 1995) Federal Acquisition Regulation (FAR), and the State's Civil Service or other existing State employment standards for the performance of the functions for which reimbursement is provided under this contract. However, with the prior written approval of VACO, the State may use qualified subcontractors for performance of functions that have a direct relationship to the requirements of this agreement. The subcontractors

must meet the same qualification and performance standards as those listed in subparagraphs 2(a) through 2(c) below. A copy of the resume for each newly-hired professional staff member must be submitted to VA within 10 business days of the date of hire. The Contracting Officer will evaluate the education and qualifications to determine whether the newly-hired staff meets the required qualification standards in order to be placed on the contract.

2. The personnel qualification standards adopted by the State and incorporated as part of this contract shall describe a level of qualification standards which shall equal or exceed the level of qualification standards listed in subparagraphs (a) through (c) below. However, the State may not apply these standards to any person employed on or before May 20, 1988, as long as that person remains in the position in which the person was employed on that date.

(a) Qualification standards for personnel approving and supervising courses offered by educational institutions are as follows: Bachelor's Degree with 5 years of related experience; Master's Degree with 3 years of related experience; or Doctoral Degree with 1 year of related experience.

(b) Qualification standards for personnel approving and supervising courses offered by job training establishments are as follows: Bachelor's Degree with 2 years of related experience or equivalent in education and/or related work experience totaling 6 years.

(c) Qualification standards for personnel performing compliance reviews of courses offered by educational institutions and job training establishments are as follows: Bachelor's Degree with 2 years of experience or equivalent in education and/or related work experience, totaling 6 years.

(d) Veterans' preference in hiring shall be given in accordance with State law.

3. The State shall require all personnel to initiate a background investigation prior to being placed on the contract regardless of whether they will have access to VA systems. Any personnel requiring access to VA systems must apply for and obtain the PIV card. In addition, SAA staff with system access who no longer need access (i.e. change in duties or leave the agency) shall immediately return the PIV card to the VA office that issued the card. (Existing language concerning background investigations is under Article XII – Other Provisions, #6.)

ARTICLE VIII – CONTRACT AND SUBCONTRACT COMPLIANCE

All reimbursements provided by this contract are conditioned upon compliance by the State with the standards and provisions of this agreement, chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, section 510 and chapters 1606 and 1607, title 10, United States Code, and of any other applicable provision of law or regulation. The Contracting Officer must approve all subcontracts in advance. (38 C.F.R. §21.4153(c)(4)(ii))

ARTICLE IX - REQUIREMENTS FOR REIMBURSEMENT

1. Effective October 11, 2017, upon receipt and review of properly prepared and certified invoices, VA shall reimburse the State for the reimbursable cost of salaries and travel expenses incurred by employees of the State and/or approved subcontractors pursuant to the terms of this contract. These costs are to be determined in accordance with the provisions of Article X.

2. The State shall submit to VA each month or quarter, an invoice under this contract number showing only the total amount of salary and travel expenses incurred under this contract for which reimbursement has not previously been requested and for which reimbursement is requested on the invoice submitted. The respective dates for submissions will be no later than the following: February 16, 2018, May 16, 2018, August 16, 2018 and November 16, 2018. The invoice shall have attached to it a detailed supporting schedule, in such form as may be prescribed by VA, showing separately for each individual: the name; position or title; salary rate; amount paid for salary; amount paid for travel expense; and periods covered by such expense or salaries. Travel expenses and allowances

reimbursable pursuant to 38 C.F.R. § 21.4153 (c)(2)(ii) must be supported by a detailed copy of the State travel voucher, clearly delineating the travel for VA contract purposes and indicating the cost, destination, and purpose of travel, will be included for all travel expenses claimed. All travel claimed for visits to educational institutions and training establishments must be supported by a copy of the report of the visit in a format prescribed by VA. Claims for salary and travel must include a statement of the hourly time distribution and supporting documentation for VA-related activities by employees who are performing both those and other activities.

3. A final invoice must be received not later than November 16, 2018.

4. Reimbursement payments under this contract will be made by the Education Regional Processing Office of jurisdiction unless otherwise specified by VA in a notice to the State.

5. No reimbursement payment will be made under this contract for the salary or travel expenses of any person other than an employee of the State, acting in his or her official capacity when performing SAA related duties, or of an approved subcontractor of the State.

6. No reimbursement payment will be made under this contract for any salary payment to SAA personnel in excess of the established salary or wage rate paid other employees of the State for equivalent duties and responsibilities.

7. Reimbursement during the term of this contract will be made for salaries of State or approved subcontractor employees during periods for which they are granted leave not in excess of the amount of leave to which the employee is entitled under State leave regulations applicable to all State employees. Where the State has no law or published regulations governing the accrual and granting of leave to State employees, the State shall furnish to VA reasonable leave regulations to govern the granting of leave to employees whose salaries are reimbursable under this agreement. Such regulations shall be subject to the approval of VA and shall specifically provide for the accrual and use of leave. Reimbursement for salary paid to an employee on leave shall be made only if the leave has been taken in accordance with such policy. Reimbursement for such expense is authorized under this contract only if leave is accrued by the employee while performing services under the terms of this contract, or prior year contracts between VA and the State for services similar to those provided for in this contract.

8. In accordance with OMB Circular A-87, Attachment B, payments for unused leave when an employee retires or terminates employment are allowable in the year of payment provided they are allocated as a general administrative expense to all activities of the governmental unit or component. See OMB Circular A-87, Attachment B, section 11 (Compensation for personal services), paragraph d. 3. (Fringe benefits)

9. A reimbursement payment for travel expenses under this contract will be made on the basis of expenses allowable under the provisions of applicable State laws or regulations. Where the State has no published regulation governing payment of the travel expenses to State employees, VA and the State will agree upon reasonable and acceptable travel regulations, and reimbursement for travel expenses shall be made only in accordance with such regulations.

10. Subject to paragraph 11 of this Article, reimbursement will be made for the salary and travel expenses of individuals employed by the State or its approved subcontractors only while they are engaged in VA related approval and compliance functions or when the employee is assigned or sent to a VA and NASAA (National Association of State Approving Agencies, Inc.) sponsored function for training or in furtherance of approval duties.

11. A reimbursement payment will be made for the out-of-State travel expenses of an individual(s) employed by the State or its approved subcontractor only while he or she is assigned or sent to a VA and NASAA sponsored function for training. Reimbursement for any other out-of-State travel

expenses for meetings and conferences is permitted only if the Director, Education Service, or his/her designee gives prior written authorization for the travel. (38 C.F.R. §21.4153(c)(2)(B)).

12. Reimbursement will be made for the reasonable and necessary salary and travel expenses of individuals employed by the State and/or its approved subcontractors while they are engaged in providing outreach activities in their state. In conjunction with outreach services furnished by the Secretary of Veterans Affairs, for education and training benefits, each State approving agency shall conduct outreach programs and provide outreach services to eligible persons and veterans in their state about education and training benefits available under applicable Federal and State law. The Outreach plan will be developed in conjunction with Chief Education Liaison Officers (CELOs) and CORs (ELRs) to utilize appropriate staffing resources. "Outreach" is defined as an activity designed to promote increased participation and utilization by eligible veterans or persons of VA or Department of Defense educational assistance programs. Emphasis will be given to developing job-readiness skills and employment opportunities for VA program participants. "Outreach" also includes any activity, which encourages educational institutions, training establishments, or organizations providing testing for a license or certification to obtain approval for VA purposes of courses and programs. Outreach activities by the SAA may include, but are not limited to, employer visits, workshops and presentations, Transition Assistance Program (TAP) briefings, meetings, mailings, media announcements, telecommunication activities, and computer applications. All outreach events will be supported by copies of visit reports required under Article V paragraph 5, state travel vouchers, and receipts for materials purchased and/or rentals.

ARTICLE X - PAYMENTS

1. The principles and standards for determining salary, travel, and subcontract costs applicable to this contract shall be governed by OMB Circular A-87, Cost Principles for State and Local Governments.

2. The maximum amount of the reimbursement payments, which may be authorized under this contract, is as follows:

SALARY	\$1,464,809.00
ADMINISTRATIVE EXPENSE	\$256,513.00
TRAVEL	\$27,138.00
SUBCONTRACT	
TOTAL ESTIMATED COST:	\$1,748,460.00

In no event shall the SAA exceed this estimated cost without the expressed consent of the Contracting Officer.

3. Subject to the estimated cost, an administrative expense allowance for services performed under this contract shall be paid to the State in an amount determined under 38 U.S.C. § 3674(b). The amount of such allowance shall be computed by the VA staff and included in the payment voucher based upon the reimbursement amount for salary expenses payable for each invoice. The provisions of OMB Circular A-87 are not applicable to the determination of this allowance. The State will use the allowance for expenses associated with discharge of its responsibilities under this contract, and shall maintain complete records of such expenses. Administrative expenses may include, but are not limited to, outreach events and supplies, rental, repair, fees, maintenance, utility, and insurance expenses for agency facilities; postage; costs of office equipment and supplies, educational supplies, freight and delivery services; in-state and out-of-state non-reimbursed travel expenses as defined in Article IX, numbers 9,10,11, and 12; and other miscellaneous operating expenses. These administrative expense funds will be maintained in a separate account, designated as the "Administrative Expense Allowance Account," for SAA purposes only. VA may audit the Administrative

Expense Allowance Account to ensure that these funds have been utilized for contract-related functions and not for other State programs that are not related to this SAA contract.

4. It is understood and agreed that reimbursement for salaries and travel will be limited to salaries and travel for the positions and in the authorized amounts as set forth in paragraphs 2 and 3 of this Article. The State may allocate contract funds at its discretion for what it determines to be the most effective utilization, provided that the services necessary for the approval and supervision of educational institutions and/or training establishments shall be carried out over the full 12 month term of this contract.

5. The State will not be deemed to have breached its responsibility under this contract if it is unable to provide the services and facilities agreed to under this contract for a period not to exceed one month for reasons beyond its control (e.g., State furloughs of employees for budgetary reasons, strikes, fire damage to facilities), provided that the State in good faith otherwise provides the services and meets the requirements of the contract hereunder during the full term of this agreement. The State is required to provide prompt written notification to VA of the specific act or event that caused the State's inability to perform. The State is required to provide VA with an actual or projected date for restoration of the services agreed to under this contract.

6. All reimbursement payments for salaries, travel, and administrative expenses under this contract are subject to availability of appropriated funds. SAAs should notify VA as early as it is determined that they will not use all their allocated funding, but no later than September 1, 2018. VA will periodically assess the use of funds by the State and may reallocate funds determined to be in excess of needs as mutually agreed to through a modification to this contract. It also is understood and agreed that the State will incur reasonable and necessary salary and travel expenses in connection with carrying out its responsibilities under this contract. VA reserves the right to determine whether it will consider supplemental contracts to cover reasonable and necessary expenses incurred during the performance period that are above the original allocation amount. SAAs are advised that the availability of funds for supplemental contracts is not guaranteed, and that VA cannot be held responsible for reimbursement of expenses above the original allocation amount.

7. Reimbursement for salaries of part-time employees will be at a rate not in excess of the pro-rata portion of the full-time rate that the part-time employment bears to full-time employment. Amounts charged for salary or wages will be based on payrolls documented and approved in accordance with the generally accepted practice of the State. Payrolls must be supported by time and attendance, or equivalent, records for individual employees.

8. Reimbursement of salary and travel expenses will be for services actually performed under the terms of this agreement by employees in positions for which paragraph 2 of this Article authorizes such expenses. The amounts shown as salary (includes fringe benefits), travel expenses and subcontractor expense are average allowances which may be exceeded by authorized individuals monthly but the total amount reimbursable for the full contract period may not exceed the total salary (includes fringe benefits), travel expense or subcontractor expense authorized for the year as shown in paragraph 2 of this Article. Salaries and wages of part-time employees and salaries and wages of employees, who, provide services to both VA, under this contract, and to the State, for other purposes, will be supported by appropriate time-distribution records. The method used must produce an equitable distribution of time and effort. Reimbursement will not exceed the pro rata part of the employee's salary, supported by such time distribution records, devoted to the performance of this contract. Travel expenses in connection with services provided to both VA, under this contract, and to the State, for other purposes, will be supported by appropriate mileage and time-distribution records.

9. Reimbursement for work done by subcontractors must have a direct relationship to the requirements of chapters 30, 32, 33, 34, 35, and 36 of title 38, United States Code, and section 510

and chapters 1606 and 1607 of title 10, United States Code, and may not exceed the authorized subcontract amount set forth in paragraph 2 of this Article.

10. In the case of a Federal continuing resolution (CR), funds will not be available under this contract beyond the date of termination of the continuing resolution. The Federal Government's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the Federal Government (hereinafter referred to as the "Government") for any payment may arise for performance under this contract until funds are made available to the Contracting Officer for performance and until the Contractor receives notice of availability, to be confirmed in writing by the Contracting Officer. Subject to the availability of fiscal year 2017 funds, VA will provide the funding level for the new fiscal year when the new contract is offered.

11. Claims by the State for payment under this contract submitted later than 12 months after the expiration of the contract will not be honored unless the State demonstrates that failure to timely submit such claims was due to circumstances beyond the State's control.

12. Payment under this contract shall be made to (**insert proper payee**). California Department of Veterans Affairs, Headquarters Accounting Office, 1227 O Street, Suite 418, Sacramento, CA 95814

13. Payment disputes must be directed to the Contracting Officer, Education Service (223C), VACO, 810 Vermont Avenue, N.W., Washington, DC 20420.

ARTICLE XI - EVALUATIONS OF STATE APPROVING AGENCIES

1. VA shall conduct, in conjunction with SAAs, an annual evaluation of each SAA. The evaluation will be based on Performance Standards developed jointly by VA with the SAA, the application of the SAA's Performance Standards to its Business Plan, the SAA's self-evaluation, and an assessment of the SAA's activities by the ELR at the VA Office of jurisdiction. In its self-evaluation, the SAA shall assess the degree to which it met each of its Performance Standards and the goals established in its Business Plan. The self-evaluation must include a narrative statement highlighting the SAA's exceptional achievements and/or a discussion of extenuating circumstances that may have prevented full compliance with the established Performance Standards and Business Plan.

(a) The Business Plan is the SAA's statement of goals for the contract year which is modeled after the performance standards as established by 38 U.S.C. §3674A(a)(4), and includes program approval goals; scheduled/requested Compliance visits, VA requested visits; and plans for staff skills development. The SAA's Business Plan is attached and incorporated herein as Schedule 4.

(b) In accordance with 38 U.S.C. §3674A(a)(1), the performance of each SAA during the immediate prior year will be evaluated by a Joint Peer Review Group, which shall be comprised of four representatives each from the SAAs and from VA. VA shall provide each SAA with a rating letter for that fiscal year based on the evaluation and an opportunity to comment on the rating. Each SAA has 30 days from receipt of a rating in which to appeal to the Contract Management Team (223C) Team Leader. The appeal shall be made either in writing to VACO Education Service, 223C, or by email to both the Contract Management Team Leader and to the 223C mailbox. SAAs have the option for an appeal by teleconference or in person, if SAA funding is available. Each appeal will be heard by the Director, Education Service, and by the President of NASAA, followed by discussion and a joint decision. If a joint decision cannot be reached, the Director, Education Service, will exercise his authority per 38 USCS Section 3674A on behalf of the Secretary, and make the final appeal determination. The SAA shall provide all pertinent information to the appeal officials prior to the appeal; in addition, the SAA must provide sufficient proof during the appeal to allow the appeal officials

to determine that an upgrade to the rating is appropriate. There is no provision in law or regulation for any appeal beyond the decision of the appeal official(s).

2. The State understands that VA will take into account the result of the annual evaluation of the SAA when negotiating the terms and conditions of a contract or agreement for any subsequent contract period.

ARTICLE XII - OTHER PROVISIONS

1. COMMERCIAL ADVERTISING – VAAR 852.203-70 (JAN 2008)

The bidder or offeror agrees that if a contract is awarded to him/her, as a result of this solicitation, he/she will not advertise the award of the contract in his/her commercial advertising in such a manner as to state or imply that VA endorses a product, project, or commercial line of endeavor.

2. CONTRACTOR RESPONSIBILITIES – VAAR 852.237-70 (APR 1984)

The contractor shall obtain all necessary licenses and/or permits required to perform this work. He/she shall take all reasonable precautions necessary to protect persons and property from injury or damage during the performance of this contract. He/she shall be responsible for any injury to himself/herself or his/her employees, as well as for any damage to personal or public property that may occur during the performance of this contract that is caused by employees' fault or negligence, and shall maintain personal liability and property damage insurance having coverage for a limit as required by the laws of the State of [California]. Further, it is agreed that any negligence of the Government, its officers, agents, servants and employees, shall not be the responsibility of the contractor hereunder with the regard to any claims, loss, damage, injury, and liability resulting there from.

3. REPRESENTATIVES OF CONTRACTING OFFICER - VAAR 852.270-1 (JAN 2008)

The Contracting Officer reserves the right to designate representatives to act for him/her in furnishing technical guidance and advice or generally monitor the work to be performed under this contract. Such designation will be in writing and will define the scope and limitation of the designee's authority. A copy of the designation shall be furnished to the contractor.

4. CERTIFICATE OF CURRENT COST OR PRICING DATA

The Contracting Officer has determined that the payment amount negotiated is based on the rates for salary and travel expense set by State laws or regulations. The requirement for Certificate of Current Cost or Pricing Data in Federal Acquisition Regulations, Part 15.403-1(b)(4) is waived.

5. INSPECTION OF SERVICES-COST-REIMBURSEMENT (52.246-5 APR 1984)

(a) Definition. "Services," as used in this Article, includes services performed, workmanship, and material furnished or used in performing services.

(b) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the services under this contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to the Government during contract performance and for as long afterwards as the contract requires.

(c) The Government has the right to inspect and test all services called for by the contract, to the extent practicable at all places and times during the term of the contract. The Government shall perform inspections and tests in a manner that will not unduly delay the work.

(d) If any of the services performed do not conform to contract requirements, the Government may require the Contractor to perform the services again in conformity with contract requirements, for no additional fee. When the defects in services cannot be corrected by re-performance, the Government may –

(1) Require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and

(2) Reduce any fee payable under the contract to reflect the reduced value of the services performed.

(e) If the Contractor fails to promptly perform the services again or take the action necessary to ensure future performance in conformity with contract requirements, the Government may –

(1) By contract or otherwise, perform the services and reduce any fee payable by an amount that is equitable under the circumstances; or

(2) Terminate the contract for default.

6. INFORMATION SYSTEM SECURITY

ACCESS TO VA INFORMATION AND VA INFORMATION SYSTEMS

a. SAA shall request logical (technical) or physical access to VA information and VA information systems for their employees, subcontractors, and affiliates only to the extent necessary to perform the services specified in the contract, agreement, or task order.

b. All contractors, subcontractors, and third-party servicers and associates working with VA information are subject to the same investigative requirements as those of VA appointees or employees who have access to the same types of information. The level and process of background security investigations for contractors must be in accordance with VA Directive and Handbook 0710, *Personnel Suitability and Security Program*. The Office for Operations, Security, and Preparedness is responsible for these policies and procedures. The SAA will initiate a background investigation for an unlimited number of contractor employees. Such background check shall be required before access is permitted to VA IT for the purpose of conducting compliance surveys and meeting the requirements of 38 U.S.C. § 3675, as amended by Pub. L. 111-377, § 203. VBA will provide the agency with appropriate information and documents, including a "Background Investigation Request Worksheet" for purposes of this paragraph. The SAAs shall defray the cost of any background investigation from the SAA's Administrative Expense allowance.

c. The contractor or subcontractor must notify the Contracting Officer immediately when an employee working on a VA system or with access to VA information is reassigned or leaves the contractor or subcontractor's employment. The Contracting Officer must also be notified immediately by the contractor or subcontractor prior to an unfriendly termination.

7. SECURITY TRAINING

a. All contractor employees and subcontractor employees requiring access to VA information and VA information systems shall complete the following before being granted access to VA information and its systems:

(1) Sign and acknowledge (either manually or electronically) understanding of and responsibilities for compliance with the *Contractor Rules of Behavior*, contained in VA

Handbook 6500.6 Appendix D relating to access to VA information and information systems;
(Copy Attached)

(2) Successfully complete the *VA Privacy and Information Security Awareness and Rules of Behavior* training and annually complete required security training;

(3) Successfully complete the appropriate VA privacy training and annually complete required privacy training; and

(4) Successfully complete any additional cyber security or privacy training, as required for VA personnel with equivalent information system access [to be defined by the VA program official and provided to the contracting officer for inclusion in the solicitation document – e.g., any role-based information security training required in accordance with NIST Special Publication 800-16, *Information Technology Security Training Requirements*.]

b. The contractor shall provide to the contracting officer and/or the COR a copy of the training certificates and certification of signing the Contractor Rules of Behavior for each applicable employee within 1 week of the initiation of the contract and annually thereafter, as required.

c. Failure to complete the mandatory annual training and sign the Rules of Behavior annually, within the timeframe required, is grounds for suspension or termination of all physical or electronic access privileges and removal from work on the contract until such time as the training and documents are complete.

8. PAYMENT DUE DATE

Payments for services provided or executed under this contract shall be due no later than the 30th calendar day after the date of receipt of a proper invoice in the designated payment office or acceptance by the Government of the services required under the contract, whichever is later. Where partial payment is provided for partial provision of services, such individual partial payments shall be as described above in Article X, paragraph 8. Payment shall be considered to be made on the date the electronic funds transfer is made.

9. PROPER INVOICE

Invoices submitted for payment for services provided under this contract must contain, as a minimum, the following information:

(a) Name and address of the State contracting entity;

(b) Invoice date;

(c) Contract number or other authorization for delivery or services;

(d) Description cost, and nature of services actually provided or executed;

(e) Account number and routing number to which payment is to be sent; and

(f) Other substantiating documentation or information as required by this contract or by law.

10. METHOD OF PAYMENT

(a) Payments under this contract will be made either by check or by wire transfer through the Treasury Financial Communications Systems at the option of the Government.

(b) The State shall forward the following information in writing to the VA office of jurisdiction not later than 7 days after receipt of notice of award of this contract:

(1) Who may be contacted concerning the bank account information requested below.

(2) If payment is to be accomplished by wire transfers:

(i) Name, address, and telegraphic abbreviation of the receiving financial institution.

(ii) Receiving financial institution's 9-digit American Bankers Association (ABA) identifying number for routing transfer of funds. (Provide this number only if the receiving financial institution has access to the Federal Reserve Communications System.)

(iii) Recipient's name and account number at the receiving financial institution to be credited with the funds.

(iv) If the receiving financial institution does not have access to the Federal Reserve Communications System, provide the name of the correspondent financial institution through which the receiving financial institution receives electronic funds transfer messages. If a correspondent financial institution is specified, also provide:

(a) Address and telegraphic abbreviation of the correspondent financial institution.

(b) The correspondent financial institution's 9-digit ABA identifying number for routing transfer of funds.

(c) Any changes to the information furnished under paragraph (b)(2) of this clause shall be furnished to the VA office of jurisdiction in writing at least 30 days before the effective date of the change. It is the contractor's responsibility to furnish these changes promptly to avoid issuance of payments to erroneous addresses or bank accounts.

(d) The document furnishing the information required in paragraphs (b)(1) and (b)(2) must be dated and contain the signature, title, and telephone number of the State official authorized to provide it, as well as the State's name and contract number.

ARTICLE XIII – CERTIFICATIONS

1. The SAA shall Register and maintain registration in the Central Contractor Registration database as required by the following:

FAR 52.204-7, Central Contractor Registration

FAR 52.204-13, Central Contractor Registration Maintenance

2. SERVICE OF PROTEST –(52.233-2, SEP 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulations, that are filed directly with any agency, and copies of any protests that are filed with the General Accountability Office (GAO) shall be served on the Contracting Officer (addressed as follows) by obtaining written and dated acknowledgment of receipt from Director, Education Service (223C), Veterans Benefits Administration, 810 Vermont Avenue, N.W., Washington, D.C. 20420.

(b) The copy of any protest shall be received in the office designated above within 1 day of filing a protest with GAO.

ARTICLE XIV – GENERAL PROVISIONS

52.252-2 Clauses Incorporated by Reference (FEB 1998). This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text.

Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this/these address(s): <http://www.acquisition.gov/far/>.

Federal Acquisition Regulation (48 CFR Part 1) Clauses

Department of Veterans Affairs Acquisition Regulation (48 CFR Chapter 8) Clauses

- 52.202-1 Definitions (JUL 2004)
- 52.203-3 Gratuities (APR 1984)
- 52.203-5 Covenant Against Contingent Fees (APR 1984)
- 52.203-6 Restrictions on Subcontractor Sales to the Government (SEP 2006)
- 52.203-7 Anti-Kickback Procedures (OCT 2010)
- 52.203-11 Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions (SEP 2007)
- 52.203-12 Limitation on Payments to Influence Certain Federal Transactions (OCT 2010)
- 52.209-1 Qualification Requirements (FEB 1995)
- 52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment (DEC 2010)
- 52.214-34 Submission of Offers in the English Language (APR 1991)
- 52.215-2 Audit and Records Negotiation (MAR 2009) Alt. II (Apr. 1998)
- 52.215-22 Limitations on Pass-Through Charges – Identification of Subcontract Effort (OCT 2009)
- 52.215-23 Limitations on Pass-Through Charges (OCT 2009) Alternate I (OCT 2009)
- 52.216-7 Allowable Cost and Payment (Dec 2002)
- 52.222-21 Prohibition of Segregated Facilities (FEB 1999)
- 52.222-26 Equal Opportunity (Mar 2007)
- 52.222-35 Equal Opportunity for Veterans (SEPT 2010)
- 52.222-36 Affirmative Action for Workers with Disabilities (OCT 2010)
- 52.223-6 Drug-Free Workplace (May 2001)
- 52.224-1 Privacy Act Notification (Apr 1984)
- 52.224-2 Privacy Act (Apr 1984)
- 52.225-13 Restrictions on Certain Foreign Purchases (JUN 2008)
- 52.232-20 Limitation of Cost (Apr 1984)

- 52.232-23 Assignment of Claims (JAN 1986)
- 52.232-25 Prompt Payment (OCT 2008)
- 52.232-33 Payment by Electronic Funds Transfer-Central Contractor Registration (OCT 2003)
- 52.233-1 Disputes (July 2002)
- 52.233-3 Protest After Award – (Aug 1996) Alternate I (JUNE 1985)
- 52.233-4 Applicable Law for Breach of Contract Claim (OCT 2004)
- 52.242-1 Notice of Intent to Disallow Costs (APR 1984)
- 52.243-2 Changes -- Cost-Reimbursement (AUG 1987) Alternate I (APR 1984)
- 52.244-2 Subcontracts (OCT 2010)
- 52.244-5 Competition in Subcontracting (DEC 1996)
- 52.245-1 Government Property (AUG 2010)
- 52.246-5 Inspection of Services – Cost-Reimbursement (APR 1984)
- 52.249-6 Termination (Cost Reimbursement) (MAY 2004) Alt. II (Sept. 1996)

ARTICLE XV - EFFECTIVE DATES

The provisions of this agreement shall become effective on the eleventh day of October 2017, and extend to and include the 30th day of September 2018. The SAA must return the signed contract, business plan, and attachments to VACO by October 11, 2017. Failure to return the signed contract on this date may render this contract offer void.

IN WITNESS WHEREOF, the parties hereto have executed this contract.

THE UNITED STATES OF AMERICA

Recommended for Approval:

Date _____

By _____
 Contracting Officer,
 Veterans Benefits Administration,
 Department of Veterans Affairs

Date _____



