

23. CONTRACT MODIFICATION

Modifications: Either party may at any time during the term of this Contract request a modification. Request for modification of this Contract shall be in writing, specifying the changes sought and the reason therefore. The parties shall review the request for modification in terms of the appropriate laws, regulations, and program goals. Should the parties consent to modification of the Contract, then a modification will be drawn, approved and executed, consistent with the policies of the DET/DWIB. No modification will have effect unless executed under the terms of this paragraph.

The following clarifies when modifications to contracts must be done and identifies the method to be used to accomplish these modifications:

1. All modifications require the approval of the Employment & Training Administrator or his/her designee.
2. Substantial modifications will be reviewed with the Chairperson of the appropriate funding committee or Proposal Review Committee for approval.
3. Signature modifications will be considered executed when the contractor, Director of the Division of Employment & Training, and the Executive Director of the Delaware Workforce Investment Board, has signed them.
4. The addition of funds to a line where no funds are budgeted requires either a letter or signature modification dependent on the amount of the request as provided in the Funding/Budget Modification section. This type of modification will be at the discretion of the Employment & Training Administrator.
5. The Employment & Training Administrator may allow a letter modification to replace a signature modification, in extraordinary circumstances.
6. Modification funding amount limits as stated below apply to the original contract budget unless it is specifically stated otherwise.
7. In no case, may expenditures exceed the total amount of the contract. The Workforce Investment Board will authorize all increases in contract amounts.

FUNDING/BUDGET MODIFICATION

- No modification is permitted that increases Staff Salaries or Staff Fringe Benefits when the funds used for the increase are taken from other line items in the contract. There are two exceptions to this policy
 - a. A mistake was made by the Department of Labor when the contract was written

b. A critical situation that could not have been anticipated has developed and planned services to clients cannot be provided due to the unavailability of funded staff .

- No modification is required if there is an over expenditure in the budget lines for Staff Salaries or Staff Fringe Benefits unless in total the expenditures exceed the total budgeted for both. In all other cases a modification is required.
- Expenditures that exceed the original budget line item (with the exception of Staff Salaries and Staff Fringe Benefits) by up to \$200.

No modification is required. The Employment and Training Administrator may, at his/her discretion, require a modification in unusual circumstances. This allows over expenditures by line item up to \$200 as long as the total for the contract is not exceeded.

In order to monitor this clause Contract Managers will review financial reports monthly in order to identify problems with overages. In addition, at the time of the submission of the final Financial Report, the contract manager will complete a final review; all overages will be noted, initialed and dated with a copy placed in the contract file. Problems with overages at any time will immediately be reported to both Fiscal and the Employment and Training Administrator.

- Expenditure (actual or anticipated) that:
 1. Exceeds a budget line by \$201 - \$800 or 5% of the line item whichever is greater.
 2. Exceeds a line item previously modified.

A letter modification is required.

- Expenditure (actual or anticipated) that exceeds the budget line by more than \$800 or 5% of the line item whichever is greater.

A signature modification is required.

PROGRAM MODIFICATION (except in cases of Correction or Blanket modification)

- Changes in start dates for training/services

No modification is required. The contractor is expected to notify the contract manager and the contract manager will notify any affected "one stop office".

- Changes in non-key performance items in question # 4 or # 6 of the narrative portion of the contract. (For example: change in the anticipated number of recruitment contacts)

No modification is required. If Results and Learning forms are changed, copies will be placed in the files

- Changes in key performance items in question # 4 or # 6 of the narrative portion of the contract. For example: enrollments, completions, outcomes such as placement, graduation/GED attainment etc.), when the expected rate of performance established in the Request for Proposal is not effected.

A Letter modification is required

- Changes in key performance items in question # 4 or # 6 of the narrative portion of the contract. (For example: enrollments, completions, outcomes such as placement, graduation/GED attainment etc.), when the expected rate of performance established in the Request for Proposal is affected.

A signature modification is required.

- Changes to the Contract Goal Summary, Additional Provisions, Additional Definitions portions of the contract

A signature modification is required.

- Decrease in the number of training/service hours or a change in the method of training/service provided during the term of the contract.

A signature modification is required

DESCRIPTION OF THE TYPES OF MODIFICATION

Correction Modification

This is a modification done to correct an administrative problem related to the contract. It corrects a situation where an item that was previously agreed upon by all parties is incorrectly represented in the contract.

The contract manager makes this change unilaterally. It is done in the form of a letter modification. The letter explains the correction and the reason that it has been completed. Attached to the letter are copies of all pages affected with corrections completed.

Blanket Modification

This is a modification authorized by the manager of the unit when the same change must be made to a large number of contracts (such as adding a Provision). This is done in the form of a letter modification with the addition of a signature line that is provided for the contractor to provide a live signature.

Letter Modification

A letter modification consists of three separate sections that are attached in the following order:

1. A letter that describes the modification elements requested, the modification elements approved, and a justification explaining the reasoning that supports the elements that were approved for change. This letter will also include a signature line for use by the contractor in order for the contractor to accept the modification
2. Copies of all contract pages affected with completed changes
3. Copy of the request that was submitted by the contractor.

Letter modifications also contain the following information on the letter describing the modification:

1. Modification number (sequence number)
2. Effective date
3. Date Prepared

Signature Modification

A signature modification consists of three separate sections that are attached in the following order:

1. Signature page with all appropriate sections completed
2. A description of the modification that included a rationalization for the approval (answers questions who, what when, where, why, and how).
3. Copies of all contract pages affected with completed changes

ETO Procedure 23 – modification effective July 1, 2008.