

SECTION 15

CareerSource Heartland Board of Directors Contracting Guidelines

In accordance with guidance issued by CareerSource Florida (previously Workforce Florida, Inc. [WFI]), CareerSource Heartland will not enter into a contract with one of its own Board members, with an organization represented by its own Board member or with any entity where a Board member has any relationship with the contracting vendor/sub-recipient.

At the Board's discretion, the following may be exempted from the above paragraph:

- a) A contract with an agency (as defined in Florida Statute 112.312[2], including, but not limited to, those statutorily required to be board members) when said agency is represented by a Board member and said member does not personally benefit financially from such contracts;
- b) A contract with a Board member or vendor (when a Board member has any relationship with the contracting vendor) when the contract relates to the member's appointment to the board under Pub. L. No. 105-220, ("Workforce Investment Act"), Title I, section 117(b)(2)(A)(vi) [representatives of the one-stop partners].
- c) A contract with a member receiving a grant for workforce services under Federal, state or other governmental workforce programs.
- d) A contract between a Board and a Board member which is not exempted under paragraphs (a), (b) or (c) where the board documents exceptional circumstances and/or need and the Board member does not personally benefit financially from the contract. Based upon criteria developed by CSF, the Florida Department of Commerce shall review the Board's documentation and assure compliance.

These exemptions were approved by our Board in October, 2011, following the original issuance of the contracting guidance.

Each contract which is exempted from the general prohibition in the paragraph above must meet the requirements set forth in the section below (Rules Regarding Contracting with a Board Member), including, but not limited to, the requirements of the Workforce Investment Act of 1998 "conflict of interest" provisions.

Rules Regarding Contracting with a Board Member

Definitions:

"Has any relationship with the contracting vendor" means the member is an owner or a principal of the vendor, or a principal of the vendor has retained the member, or the parent organization or subsidiary of a corporate principal of the vendor has retained the member or a member's known relative or member's business associate is an owner of the vendor. For purposes of this policy, vendor, contractor, and sub-recipient are the same.

"Benefit financially from a contract" means the special private financial gain to a member, a special private financial gain to any principal which retains the member, the special financial gain of the parent organization or subsidiary of a corporate principal which retains the member or the special private financial gain to any member's relative or business associate or to a board employee or a board employee's relative and such benefit is not remote or speculative.

"Personal benefit financially" means special private gain(s) to a member only.

Additional definitions from Part 1 of CSF's Contracting Guidance are as follows:

This Board must comply with all requirements of section 445.007, Florida Statutes (F.S.), prior to contracting with a Board member or other person or entity that could benefit financially from a contract (as defined above). These requirements are:

1. All contracts between CareerSource Heartland and a Board member or other person or entity who may benefit financially from a contract (as defined above) must be approved by a two-thirds (2/3) vote of the Board when a quorum has been established and the approval of such contracts shall not be delegated to staff or committees. The Board member who abstains from voting due to conflict of interest will not be counted towards the quorum.
2. The fact that a Board member or other person or entity may benefit financially from a contract (as defined in CSF Guidance) must be disclosed in the meeting and made part of the minutes of the meeting before the vote is taken. The Board member's absence from the meeting does not relieve the Board from the disclosure and the 2/3 vote requirements. All other known conflicts must be disclosed before the vote. If a Board member or employee discovers a conflict of interest after the vote, then the conflict must be disclosed in a procedure consistent with F.S. 112.3143(4)(b). Board members who could financially benefit from the contract or who have any relationship with the contracting vendor (as defined in CSF Contract Guidance) must abstain from voting on the contract. A Board member's designee cannot vote in the place of a Board member who is required to abstain.
3. Board contracts (i.e., contracts with Board members) equal to or greater than \$10,000 shall not be executed prior to the written approval of CareerSource Florida (previously WFI).
4. CareerSource Heartland must submit all contracts equal to or greater than \$10,000 with Board members or other persons or entities who could benefit financially from the contract to the Florida Department of Commerce (Florida Commerce) along with documentation (as specified by CSF Contract Guidance), demonstrating compliance with F.S. 445.007 and the Reimagining Education and Career Help Act (REACH).
5. A contract under \$10,000 between CareerSource Heartland and a member of the Board or between a relative of a Board member or an employee of the Board is not required to have the prior approval of CareerSource Florida but must be approved by a 2/3 vote of the Board, a quorum having been established, after full disclosure with the member's abstention, and must be reported to Florida Commerce and CareerSource Florida within 30 days after approval.
6. Contracts with a Board member or other persons or entities who could benefit financially from the contract (as defined in CSF Contract Guidance), in which the Board is receiving monies or other compensation (such as a Board member paying rent to the Board or paying for Board services) are exempt from this policy.
7. The term "contract" includes initial contract and all amendments renewals, or extensions. Renewals or extensions with a Board member or persons or entities that could benefit financially from the contract must be approved under the same procedure as if the renewal or extension were an original contract. Any amendments to a contract which could benefit financially a Board member or another person or entity (as defined in CSF Contract Guidance) must be approved under the same procedure as if the renewal or extension were an original contract. Any amendments which do not benefit financially a Board member or other person or entity (as defined in CSF Contract Guidance) may be approved according to general processes of the organization. Any amendments to contracts which do not benefit financially a Board member or other person or entity (as defined in CSF Contract Guidance) but were originally approved by majority vote of the Board, a quorum having been established, will require approval by regular majority vote of the Board where a quorum has been established according to Board rules and bylaws.

8. All other requirements of F.S. 445.007 (1) and the REACH Act must be met. For example, a Board member must continue to disclose any conflict of interest in a manner that is consistent with the procedures outlined in F.S. 112.3143.
9. In order to comply with the requirements of F.S. 445.007 and the REACH Act, CareerSource Heartland shall advise and require all Board members to disclose known conflicts of interest and notify the Board of any contracts which may benefit them personally. In order to comply with the requirements of F.S. 445.007 and the REACH Act, CareerSource Heartland shall advise and require all parties to a contract to disclose known conflicts of interest and notify the Board of all Board members or other persons or entities known to benefit from the contract (as defined by CSF Contract Guidance).
10. A contract which is initially subject to the requirements of F.S. 445.007 and the REACH Act due to a Board member's, an employee's, or another person's or an entity's conflicts of interest at the time of approving the contract is not subject to these procedures after departure of the member from the Board membership, the departure of the employee from CareerSource Heartland's employ, or other actions which have removed the conflict of interest.
11. The above requirements do not eliminate or diminish the Board's obligations to comply with section 117 (g) of the Workforce Investment Act of 1998 (WIA) (Public Law 105-220) "Conflict of Interest" procedures and 20 CFR 667.200(a)(4).

Required Documentation

For each contract equal to or greater than \$10,000, CareerSource Heartland must electronically submit, after the Board's approval of the contract, a completed contract information form (see attached) certified by the Board Chair as correct and true, to workforcecontract.review@deo.myflorida.com. The following information must be included, as identified on the Contract Information Form.

- a. Identification of all parties to the contract
- b. Description of goods and services to be procured
- c. Value of the contract, and indication if the contract is new, a renewal, or is an extension
- d. Contract term
- e. Contract number or identifying information, if any
- f. Identification of Board member or employee whose conflict of interest required the Board's approval of the contract by 2/3 vote
- g. Nature of the conflict of interest in the contract
- h. A certified Board membership roster* listing all members on the Board at the time of the vote on the approval of the contract with a vote tally indicating attendance or absence at the meeting, and, for those in attendance, the affirmative and negative votes and abstentions for each member. (**not required to be submitted for contracts less than \$10,000 but must be retained on file*)
- i. Dated and executed conflict of interest forms*, which are consistent with the procedures outlined in F.S. 112.3143, submitted at or before the board meeting, for Board members who have any relationship with the contracting vendor as defined by CSF Contract Guidance. (**not required to be submitted for contracts less than \$10,000 but must be retained on file*)
- j. Other information as specified on the contract information form

**EXHIBIT C
CONTRACT INFORMATION FORM**

This form is to seek approval of a contract involving a conflict or potential conflict of interest of board members or employees. All requested information is required. Failure to provide complete information may result in disapproval of the contract.

I, _____, hereby certify the following information regarding a contract that was approved by a two-thirds (2/3) vote of a quorum of CareerSource _____ and will be executed and implemented immediately after receiving the State's approval in compliance with section 445.007(11), Florida Statutes.

Identification of all parties to the contract: _____

Contractor Name & Address: _____

Contractor Contact Phone Number: _____

Contract Number or Other Identifying Information, if any: _____

Contract Term: _____

Value of the Contract/Renewal/Extension: _____

Description of goods and/ or services to be procured: _____

Name of board member or employee whose conflict of interest required the board's approval of the contract by two-thirds (2/3) vote: _____

The nature of the conflicting interest in the contract: _____

The board member or employee with the conflict of interest ___ did ___ did not (check one) attend the meeting(s), including subcommittee meetings, at which the board discussed or voted to approve the contract.

If the board member or employee with the conflict of interest attended the meeting(s), including subcommittee meetings, at which the board discussed or voted on the contract, the board member or employee was not present during the discussion or vote.

I further attest that the following is being provided with this form:

- A certified board membership roster listing all members on the board at the time of the vote on the approval of the contract with a vote tally indicating attendance or absence at the meeting(s), including subcommittee meetings, and for those in attendance, the affirmative and negative votes and abstentions for each member.
- Consistent with the procedures outlined in section 112.3143, Florida Statutes, the dated and executed conflict of interest form that was submitted at or before the board meeting(s) in which a vote related to the contract took place, for board member/ employee who has any relationship with the contracting vendor.

I certify that the information above is true and correct.

Signature of Board Chair / Vice Chair*

Print Name

* Must be certified and attested to by the board's Chair or Vice Chair.

Date

**EXHIBIT D
DISCLOSURE AND CERTIFICATION OF
CONFLICT OF INTEREST IN A CONTRACT**

I, _____, a board member / an employee of the board (circle one) hereby disclose that I, myself / my employer / my business / my organization / OR "Other" (describe) _____ (circle one or more) could benefit financially from the contract described below:

Local Workforce Development Board: _____

Contractor Name & Address: _____

Contractor Contact Phone Number: _____

Description or Nature of Contract: _____

Description of Financial Benefit*: _____

For purposes of the above contract the following disclosures are made:

The contractor's principals**/ owners***: (check one)

_____ have no relative who is a member of the board or an employee of the board; OR

_____ have a relative who is a member of the board or an employee of the board, whose name is:

The contractor's principals** / owners*** _____ is _____ is not (check one) a member of the board. If applicable, the principal's/owner's name is: _____

Signature of Board Member/Employee

Print Name

Date

* "Benefit financially from a contract" means the special private financial gain to a member, a special private financial gain to any principal which retains the member, the special private financial gain of the parent organization or subsidiary of a corporate principal which retains the member or the special private financial gain to any member's relatives or business associate or to a board employee and such benefit is not remote or speculative.

** "Principal" means an owner or high-level management employee with decision-making authority.

*** "Owner" means a person having any ownership interest in the contractor.

NOTICE: CONFLICTS OF INTEREST REGARDING BOARD MEMBERS AND BOARD EMPLOYEES MUST BE DISCLOSED PRIOR TO THE BOARD'S DISCUSSION OR VOTING TO APPROVE THE CONTRACT. BOARD MEMBERS WHO BENEFIT FINANCIALLY OR BOARD MEMBERS OR EMPLOYEES OF THE BOARD WHO HAVE A RELATIONSHIP WITH THE CONTRACTING VENDOR MUST NOT BE PRESENT DURING ANY DISCUSSION AT ANY MEETINGS, INCLUDING SUBCOMMITTEE MEETINGS, INVOLVING THE CONTRACT AND MUST ABSTAIN FROM VOTING OR BEING PRESENT DURING VOTING BY REMOVING HIMSELF OR HERSELF FROM THE ROOM DURING THE PERIOD OF TIME THE VOTES ARE CAST, AND THE CONTRACT MUST BE APPROVED BY A TWO-THIRDS VOTE OF THE BOARD WHEN A QUORUM HAS BEEN ESTABLISHED. COMPLETION OF THIS FORM DOES NOT IN ANY WAY SUPERSEDE OR SUBSTITUTE FOR COMPLIANCE WITH CONFLICT OF INTEREST DISCLOSURE REQUIREMENTS OF SECTION 112.3143, FLORIDA STATUTES, OR SECTION 101(f), WIOA.