

EXHIBIT A

Amendment # 1 for Grant Agreement #109704

Contract Start Date:	<u>07/01/2016</u>	Total Contract Amount:	<u>\$ N/A</u>
Original Contract Expiration Date:	<u>06/30/2021</u>	Original Contract:	<u>\$ N/A</u>
Current Contract Expiration Date:	<u>06/30/2021</u>	Previous Amendment(s) Total:	<u>\$ N/A</u>
Requested Contract Expiration Date:	<u>N/A</u>	This Amendment:	<u>\$ N/A</u>

This amendment is by and between the State of Minnesota, through its Commissioner of its Department of Employment and Economic Development, (DEED) Employment and Training Programs (ETP) ("State") and City of Duluth Workforce Development, 402 West 1st Street, Duluth, MN 55802 ("Grantee").

Recitals

1. The State has a grant contract with the Grantee identified as SWIFT Contract No. 109704 ("Original Grant Contract") to enhance the economic success of individuals, businesses and communities by improving opportunities for prosperity and independence.
2. The Agreement is being amended to update existing language, add new language and update clause numbers.
3. The State and the Grantee are willing to amend the Original Grant Contract as stated below.

Grant Contract Amendment

In this amendment, deletions will be ~~struck through~~ and additions will be underlined.

REVISION 1. Clause 2. "**Grantee Duties**" is amended as follows:

The Grantee, who is not a state employee, will comply with required grants management policies and procedures set forth through Minn. Stat. 16B.97, Subd. 4(a)(1). The GRANTEE will perform the duties outlined in Exhibit 1, Work Plan, and will also adhere to Exhibit 4, Terms and Conditions which are attached and incorporated into this grant contract. Any portion of the work plan that has been altered, modified or otherwise changed must be approved by the STATE and shall be considered a modification and become attached to and part of this Contract.

REVISION 2. Clause 16. "**Conflict of Interest**" is added to the original contract:

The State will take steps to prevent individual and organizational conflicts of interest in reference to Grantees per Minn.Stat. §16B.98 and Department of Administration, Office of Grants Management, Policy Number 08-01 [Conflict of Interest Policy for State Grant-Making](#). When a conflict of interest concerning State grant-making is suspected, disclosed, or discovered, transparency shall be the guiding principle in addressing it.

Organizational conflicts of interest occur when:

- a Grantee is unable or potentially unable to render impartial assistance or advice to the State due to competing duties or loyalties.
- a Grantee's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.
- a Grantee has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.

Organizational conflicts include any individual part of the Grantee.

Individual conflicts of interest occur when:

- a Grantee uses his/her status or position to obtain special advantage, benefit, or access to the Grantee's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence.
- a State employee is an employee or board member of a Grantee that is an immediate family member of an owner, employee or board member of the Grantee.

The State and the Grantee must act immediately upon any suggestion, inquiry, or intimation that an individual or organizational conflict of interest exists at any point in the grant process. Steps must be taken to identify and avoid or mitigate any potential conflicts. The conflict of interest guidelines continue throughout the life of the grant agreement.

The GRANTEE must complete and submit a Conflict of Interest Disclosure Form (See Exhibit 4, Section 2) "Additional Terms and Conditions), indicating whether or not a perceived, potential, or actual conflict of interest exists. If the GRANTEE identifies an actual, potential or perceived conflict of interest on the form, the GRANTEE must identify and submit its conflict of interest avoidance or mitigation plan. The STATE will review the form and the GRANTEE's individual or organizational conflict of interest avoidance or mitigation plan and other relevant facts, if needed, to determine if an actual, potential or perceived conflict of interest exists, as defined by policy or other relevant law. If it does, the STATE will pursue appropriate actions to mitigate, neutralize, or avoid the potential, perceived or actual individual or organizational conflicts of interest. These may include, but not be limited to, termination of the grant agreement; disqualification from future State grant awards, if it is determined that it improperly failed to disclose a known individual or organizational conflict of interest or misrepresented information regarding such conflict; revising the GRANTEE's duties so that the conflict is mitigated; allowing the GRANTEE to propose the exclusion of task areas that create a conflict, if appropriate; allowing the individual with the conflict to be removed from taking any actions in relation to the grant agreement.

In cases where a perceived, potential, or actual individual or organizational conflict of interest is suspected, disclosed, or discovered by the GRANTEE throughout the life of the grant agreement, they must immediately notify STATE for appropriate action steps to be taken, as defined above.

REVISION 3. The following clauses are renumbered as follows:

Other Provisions

~~16~~ 17 Special Administrative Provisions Required

GRANTEE agrees to administer programs according to the regulations and guidelines related to the funding source, including the STATE's employment and training (WDD) Policies. GRANTEE also agrees to comply with other applicable Federal and State laws. In the event that these laws, regulations, or guidelines are amended at any time during the term of this grant contract, the GRANTEE shall comply with such amended laws, regulations or guidelines.

~~16.1~~ 17.1 Program Standards: GRANTEE agrees to comply with OMB Circulars Numbers A-21, A-87, A-110, A-122, A-133, the OMB "Common Rule" (as codified at 29 CFR 97), ASMB C-10 (Implementation Guide for OMB Circular A-87), and/or Uniform Guidance 2 CFR 200 (for new funding since 12-26-2014), as these circulars are applicable and as they relate to the utilization of funds, the operation of programs and the maintenance of records, books, accounts and other documents as amended, and Chapter 509 of the STATE's Policies and Procedures Manual. Under the Cost Principles Circulars (A-21, A-87, or A-122), and/or

Uniform Guidance 2 CFR 200 common or joint costs charged to grants must be based upon written cost allocation plans.

~~16.2~~ **17.2 Salary and Bonus Limitations:** In compliance with Public Law 109-234, none of the funds appropriated in Public Law 109-149 or prior programs under the heading “Employment and Training”, whether federal funds or otherwise, that are available for expenditure on or after June 15, 2006, shall be used by a recipient or subrecipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of (federal) Executive Level II (www.opm.gov), except as provided for under Section 101 of Public Law 109-149. This limitation shall not apply to vendors providing goods and services as defined in OMB Circular A-133.

~~16.3~~ **17.3 Assurances:** As a condition to the award of financial assistance from the Department of Labor under Title I of the Workforce Investment Act of 1998 (WIA), the Workforce Innovation and Opportunity Act, or any other STATE Workforce Development Employment and Training funds, the grant GRANTEE assures that it will comply fully with the nondiscrimination and equal opportunity provisions and other assurances of the following laws:

- **Accessibility** - [Section 508 of the Rehabilitation Act of 1973, as amended](#) - Requires that federally funded program providers make their electronic information and technology accessible to people with disabilities;
- **ACORN** – [Funds may not be provided](#) to the Association of Community Organizations for Reform Now, or any of its affiliates, subsidiaries, allied organizations or successors;
- **Audits** – [2 CFR 200.501](#) and [Single Audit Act Amendments of 1996](#) - organization-wide or program-specific audits shall be performed;
- **Buy American**- Buy American Act – award may not be expended unless the funds comply with [USC 41, Section 8301-8303](#);
- **Data Sharing** – [MN Access to Government Data](#), [MN Duties of Responsible Authority](#); [MN Access to Information](#); [MN Administrative Rules Data Practices](#); [DEED Policy – Data Practices](#);
- **Disability** - that there will be compliance with the [Architectural Barriers Act of 1968](#), [Sections 503 and 504 of the Rehabilitation Act of 1973](#), as amended, and the [Americans with Disabilities Act of 1990](#);
- **Drug-Free Workplace** – [Drug-Free Workplace Act of 1988](#) – requires all organizations to maintain a drug-free workplace;
- **Equipment** – [2 CFR 200.313](#), [200.439](#) – must receive prior approval for the purchase of any equipment with a per unit acquisition cost of \$5,000 or more, and a useful life of more than one year;
- **Fire Safety** – [15 USC 2225a](#) – ensure that all space for conferences, meetings, conventions or training seminars funded in whole or in part complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act ([Public Law 101-391](#));
- **Fraud/Abuse** - that the provider has policies on fraud and abuse and will contact DEED for potential fraud and abuse issues; [20 CFR 667.630](#); [DEED Policy – Fraud Prevention and Abuse](#);
- **Health Benefits** – [Public Law 113-235, Division G, Sections 506 and 507](#) – ensure use of funds for health benefits coverage complies with the [Consolidated and Further Continuing Appropriations Act, 2015](#);
- **Insurance** - that insurance coverage be provided for injuries suffered by participants in work-related activities where Minnesota's workers' compensation law is not applicable as required under Regulations [20 CFR 667.274](#);
- **Insurance** – [Flood Disaster Protection Act of 1973](#) – provides that no Federal financial assistance to acquire, modernize or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within 1 year of the identification;

- **Limited English** - [Executive Order 13166](#) - Improving access to services for persons with limited English proficiency;
- **Nondiscrimination** - [Section 188 of the Workforce Innovation and Opportunity Act](#) (WIOA) - Requires applying nondiscrimination provisions in the administration of programs and activities for all eligible individuals, including individuals with disabilities;
- **Nondiscrimination** - [Section 188 of the Workforce Investment Act of 1998](#) (WIA) - Requires applying nondiscrimination provisions in the administration of programs and activities for all eligible individuals, including individuals with disabilities;
- **Nondiscrimination** - [Title VI of the Civil Rights Act of 1964, as amended](#) – Prohibits discrimination on the bases of race, color, and national origin under any program receiving federal financial assistance;
- **Nondiscrimination** - [Title VII of the Civil Rights Act of 1964, as amended](#) - Prohibits discrimination on the basis of race, color, religion, sex or national origin in employment;
- **Nondiscrimination** - [Title II of the Genetic Information Nondiscrimination Act of 2008](#) - Prohibits discrimination in employment on the basis of genetic information;
- **Nondiscrimination** - [Title V of the Older Americans Act of 1965](#) - Prohibits discrimination based on race, color, religion, sex, national original, age disability or political affiliation or beliefs in any program funded in part with Senior Community Services Employment Program funds;
- **Nondiscrimination** - [Title IX of the Education Amendments of 1972, as amended](#) - Requires applying nondiscrimination provisions, based on sex, in educational programs;
- **Nondiscrimination** - [Title I \(Employment\) Americans with Disabilities Act \(ADA\)](#) - Prohibits state and local governments, from discriminating against qualified individuals with disabilities in job application procedures, hiring, firing, advancement, compensation, job training, and other terms, conditions, and privileges of employment;
- **Nondiscrimination** - [Title II \(State and Local Governments\) Americans with Disabilities Act \(ADA\)](#) - Prohibits qualified individuals with disabilities from discrimination in services, programs, and activities;
- **Nondiscrimination** - [Section 504 of the Rehabilitation Act of 1973, as amended](#) - Prohibits discrimination against qualified individuals with disabilities;
- **Nondiscrimination** - [Age Discrimination Act of 1975, as amended](#) - Prohibits discrimination on the basis of age;
- **Nondiscrimination** - [Title 29 CFR Part 31](#) Nondiscrimination in federally-assisted programs of the Department of Labor, effectuation of Title VI of the Civil Rights Act of 1964;
- **Nondiscrimination** - [Title 29 CFR Part 32](#) Nondiscrimination on the basis of disability in programs and activities receiving or benefiting from federal assistance;
- **Nondiscrimination** - [Title 29 CFR Part 33](#) Enforcement of nondiscrimination on the basis of disability in programs or activities conducted by the Department of Labor;
- **Nondiscrimination** - [Title 29 CFR Part 35](#) Nondiscrimination on the basis of age in programs or activities receiving federal financial assistance from the Department of Labor;
- **Nondiscrimination** - [Title 29 CFR Part 37](#) Implementation of the Nondiscrimination and Equal Opportunity provisions of the Workforce Investment Act of 1998;
- **Nondiscrimination** - [Title 29 CFR Part 38](#) Implementation of the Nondiscrimination and Equal Opportunity provisions of the Workforce Innovation and Opportunity Act;
- **Nondiscrimination** - [Executive Order 13160](#) Nondiscrimination on the basis of race, sex, color, national origin, disability, religion, age, sexual orientation, and status as a parent in federally conducted education and training Programs;
- **Nondiscrimination** - [Executive Order 13279](#) - Nondiscrimination against grant seeking organizations on the basis of religion in the administration or distribution of federal financial assistance under social service programs, including grants, contracts, and loans;

- **Nondiscrimination** - [The Minnesota Human Rights Act of 1973, Minnesota Statutes, Chapter 363A](#) - Prohibits discrimination in employment and providing public services on the basis of race, color, creed, religion, natural origin, sex, marital status (employment only), disability, status with regard to public assistance, sexual orientation, familial status (employment only), citizenship, or age (employment only), and local human rights commission activity (employment only);
- **Nondiscrimination** - that collection and maintenance of data necessary to show compliance with the nondiscrimination provisions of WIA and [WIOA Section 188](#), as provided in the regulations implementing that section, will be completed;
- **Opportunity** – [Executive Order 12928](#) – encouraged to provide subcontracting/subgranting opportunities to Historically Black Colleges and Universities and other Minority Institutions and to Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals;
- **Personally Identifiable Information (PII)** – [Training and Guidance Letter 39-11](#) – must recognize and safeguard PII except where disclosure is allowed by prior written approval of the Grant Officer or by court order;
- **Procurement** – Uniform Administrative Requirements – [2 CFR 200-317-36](#) – all procurement transactions to be conducted in a manner to provide, to the maximum extent practical, open and free competition;
- **Publicity** – no funds shall be used for publicity or propaganda purposes, preparation or distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress or any state/local legislature or legislative body, except in presentation to the Congress or any state/local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any state or local government. Nor shall grant funds be used to pay the salary or expenses of any recipient or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations regulation, administrative action, or Executive Order proposed or pending before the Congress, or any state government, state legislature or local legislature body other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a state, local or tribal government in policymaking and administrative processes within the executive branch of that government;
- **Salary/Bonus** – [Public Law 113-235, Division G, Title I, Section 105](#) – none of the funds appropriated under the heading “Employment and Training” shall be used by a recipient or sub-recipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of [Executive Level II](#). Further clarification can be found in [TEGL 5-06](#);
- **Seat Belts** - [Executive Order 13043](#) – Increasing Seat Belt Use in the United States;
- **Text Messaging** – [Executive Order 13513](#) – encouraged to adopt and enforce policies that ban text messaging while driving company-owned or –rented vehicles or GOV or while driving POV when on official Government business or when performing any work for or on behalf of the Government;
- **Trafficking of Persons** – [2 CFR 180](#) – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension – may not engage in severe forms of trafficking, procure a commercial sex act or use forced labor in the performance;
- **Veteran Priority of Service** - [Public Law 107-288: Jobs for Veterans Act](#) - Priority of service for veterans (including veterans, eligible spouses, widows and widowers of service members) in qualified job training programs;
- **Veterans** - [Public Law 112-56: Vow to Hire Heroes Act of 2011](#) - Establishes guidelines for service providers who are providing employment, training, academic or rehabilitation services for military veterans;
- **Veterans** - that veterans will be afforded employment and training activities authorized in WIA and WIOA Section 134, and the activities authorized in Chapters 41 and 42 of Title 38 US code, and in

compliance with the veterans' priority established in the Jobs for Veterans Act. ([38 USC 4215](#)), U.S. Department of Labor, [Training and Employment Guidance Letter 5-03](#) and Minnesota's Executive Order 06-02;

- **Voter Registration** - that the required voter registration procedures described in [Minnesota Statutes 201.162](#) are enacted without the use of federal funds;
- **Voter Registration** – [52 USC 20501 – 20511](#) – National Voter Registration Act of 1993.

~~17~~ 18 Purchase of Furniture and Equipment

Any purchase of non-expendable personal property that has a useful life of more than one year at a unit cost of \$5,000 or more must have prior written approval of the STATE.

~~18~~ 19 Repayment of Funds

The STATE reserves the right to offset any over-payment or disallowance of any item or items under this grant contract by reducing future payments requested by GRANTEE.

~~19~~ 20 Grantee Reports

GRANTEE agrees to provide the STATE with such progress reports, including, but not limited to, the following:

19.1 Expenditure and program income including any profit earned must be reported on an accrual basis.

19.2 Monthly Financial Status Reports (FSRs) by the 20th of each month reporting expenditures for the previous month.

19.3 Use of the Management Information System (as described in 27 below).

19.4 Information as may be deemed necessary to complete the Annual Report to the U.S. Department of Labor as described in the Act, Section 136(d) (1), (2).

19.5 Required Quarterly Program and Quarterly Narrative Reports as specified by the requirements (i.e., due on the 10th day of the month following the end of the quarter for the Senior Community Services Employment Program, if applicable; and First Grant Quarterly Narrative Reports due 30 days after the quarter ends, if applicable).

19.6 Unserved applicant data as may be required by the Minnesota Youth Program, if applicable.

19.7 Special reports as requested.

GRANTEE shall also make such reports to the Governor, the Legislature, the Secretary of Labor, the Comptroller General of the United States, other Federal Entities or the State as any of them may require.

The STATE shall withhold funding if reporting requirements are not met in a complete, accurate and timely manner.

~~20~~ 21 Monitoring and Corrective Action

GRANTEE agrees to permit monitoring by the STATE to determine grant contract performance and compliance with grant contract provisions. GRANTEE further agrees to cooperate with the STATE in performing and completing such monitoring activities and GRANTEE agrees to implement and comply with such remedial action as is proposed by the STATE.

~~21~~ 22 Relocation Assistance

GRANTEE agrees to comply with the requirements of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (Public Law 91-646) which provides for fair and equitable treatment of persons displaced as a result of federal or federally assisted programs.

~~22~~ 23 Sectarian Activities

GRANTEE agrees that program participants shall not be employed in the construction, operation or maintenance of that part of any facility which is used for religious instruction or worship. GRANTEE further agrees that no direct financial assistance shall be expended for inherently religious activities, such as, sectarian worship, instruction or proselytization.

~~23~~ 24 Drug Free Workplace

GRANTEE agrees to make a good faith effort to maintain a drug free workplace through implementation of the Drug-Free Workplace Act of 1988 (Public Law 100-690).

~~24~~ 25 Right-to-Know

The GRANTEE will comply with the Minnesota Right-to-Know Act of 1983 (Minnesota Rules Chapter 5206).

~~25~~ 26 DOL TEGL Number 8-09 (and any future issuances)

The GRANTEE will comply with the federal DOL TEGL Number 8-09 which states that no federal and/or state funds can be awarded to the Association of Community Organizations to Reform Now (ACORN) or its subsidiaries. This prohibition applies not only to a direct recipient of federal and/or state funds, but also to a subrecipient (e.g. a subcontractor, subgrantee, or contractor of the grantee).

~~26~~ 27 Job Vacancies

GRANTEE shall list any job vacancy in its personnel complement with MinnesotaWorks.net at www.minnesotaworks.net as soon as it occurs.

~~27~~ 28 Management Information System

All GRANTEES must track participants and financial information using an approved management information system. (If applicable) GRANTEES receiving funds under this grant contract will track participants with the Workforce One (WF1) Case Management System. Data must be submitted per the standards and time frames agreed to by the STATE. (If applicable) GRANTEES receiving funds under the Senior Community Service Employment Program will track participants with the "SCSEP Performance and Results QPR" system (SPARQ2 system). The STATE shall withhold funding if data compliance requirements are not met in a complete, accurate and timely manner.

~~28~~ 29 Voter Registration

GRANTEE shall provide non-partisan voter registration services and assistance, using forms provided by the Secretary of State, to employees of GRANTEE, program participants and the public as required by Minnesota Statute §201.162.

~~29~~ 30 Debarment and Suspension Certification

Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

30 31 Lobbying Certification and Disclosure

The GRANTEE shall comply with Interim Final Rule, New Restrictions on Lobbying, found in Federal Register Vol. 55, No. 38, February 26, 1990, and any permanent rules that are adopted in place of the Interim Final Rule. The Interim Final Rule requires the GRANTEE to certify as to their lobbying activity. The Interim Final Rule implements Section 319 of Public Law 101-121, which generally prohibits recipients of Federal contracts, grants and loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant or loan.

31 32 Operating Procedures/Policies

The Grantee hereby acknowledges that it has read and understands the federal regulations located at: [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#). The Grantee further acknowledges that its supervisory personnel to be involved in the administration of the grant contract have read and understand said regulations. The GRANTEE agrees to comply with the contents of the aforementioned regulations.

32 33 Interest/Program Income

The GRANTEE shall be responsible for establishing and maintaining records identifying interest and/or investment income earned on advances of program funds. Income so earned shall be added to the existing funding of this grant contract and may be used for any allowable grant expenditure.

33 34 Grant Contract Closeout

The GRANTEE agrees to submit a final Financial Status Report (FSR) if they are on cash advance; or, a final Reimbursement Payment Request (RPR), if they are on a reimbursement basis. The Grantee also agrees to submit a payment for the balance of any unspent and unobligated grant funds to the State within 45 days after the end of the term of Grant Contract or the Project Specific Plan. Accompanying the final FSR or the final RPR shall be a listing of any continuing liabilities on the grant, if applicable. Failure to submit a final FSR or a final RPR within this period may result in disallowance of payment for any expenditure not previously submitted. The GRANTEE agrees to submit a revised final FSR or a revised RPR to the STATE if any additional funds must be returned to the STATE after grant contract closeout.

34 35 Payment Recoupment (If applicable)

The GRANTEE must reimburse the STATE upon demand or the STATE may deduct from future payments under this grant contract the following:

- ~~34.1~~ 35.1 Any amounts received by the GRANTEE from the STATE for services which have been inaccurately reported or are found to be unsubstantiated;
- ~~34.2~~ 35.2 Any amounts paid by the GRANTEE to a subgrantee not authorized in writing by the STATE;
- ~~34.3~~ 35.3 Any amounts paid by the GRANTEE for services which either duplicate services covered by other specific grants or contracts, or amounts determined by the STATE as non-allowable under the Project Specific Plan;
- ~~34.4~~ 35.4 Any amounts paid by the STATE for which the GRANTEE's books, records and other documents are not sufficient to clearly substantiate that those amounts were used by the GRANTEE to perform services in accordance with the Project Specific Plan; and
- ~~34.5~~ 35.5 Any amount identified as a financial audit exception.

1. Grantee

**CITY OF DULUTH,
Workforce Development Division**

By: _____
Emily Larson
Its: Mayor

Attest:

City Clerk

Approved:

Assistant City Attorney

Countersigned:

City Auditor

2. State Agency

**Minnesota Dept. of Employment and
Economic Development**

By: _____
(with delegated authority)
Its:

Date: _____