



July 19, 2018

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of an Infrastructure and Additional Shared Cost Funding Agreement with the
Clackamas Workforce Partnership (CWP)

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| Purpose/Outcomes | Approval of an Infrastructure and Additional Shared Cost Funding Agreement as required under the federal Workforce Innovation Opportunity Act (WIOA) |
| Dollar Amount and Fiscal Impact | Refer to Exhibit A for Infrastructure Cost Budget |
| Funding Source | N/A |
| Duration | July 1, 2018 – June 30, 2019 |
| Previous Board Action | July 6, 2017 |
| Strategic Plan Alignment | 1. Build Public Trust Through Good Government 2. Grow a Vibrant Economy |
| Contact Person | Cindy Knudsen, Business & Economic Development, 503-742-4328 |

BACKGROUND AND SUMMARY:

This "Infrastructure and Additional Cost Sharing Funding Agreement" (IFA) meets the requirement under the federal Workforce Innovation Opportunity Act (WIOA) that American Job Centers (called "WorkSource Clackamas" in our county) delineate allocation and payment processes for both infrastructure and other shared costs for our mandated partners. Together with the Memorandum of Understanding signed in August 2017, this document will bring WorkSource Clackamas into compliance with WIOA standards for Program Year 2018 (July 1, 2018-June 30, 2019).

This IFA was the result of conversation and negotiation between Oregon's Workforce Boards, the Oregon Employment Department, and the Higher Education Coordinating Committee. This template has been reviewed and approved by the Oregon Department of Justice for our use.

This document includes two agreements: first, it extends the current status quo for cost sharing at WorkSource Clackamas by including only current lease agreements between co-located partners. Second, it includes "The MOU/IFA Version 2.0 Action Plan" (Exhibit E) wherein partners will engage in a five-step negotiation process reaching agreement by December 15, 2018 on a more extensive Infrastructure Funding Agreement consistent with WIOA mandates to be implemented on July 1, 2019.

This Agreement has been reviewed and approved by County Counsel.

RECOMMENDATION:

Staff respectfully recommends that the Board approve the Infrastructure and Additional Shared Cost Funding Agreement

Respectfully submitted,

Laura Zentner, CPA
Director, Business and Community Services

INFRASTRUCTURE AND ADDITIONAL SHARED COST FUNDING AGREEMENT

This Infrastructure and Additional Shared Cost Funding Agreement (“**Agreement**”), effective on July 1, 2018 (the “**Effective Date**”), is entered into by and among Clackamas Workforce Partnership, an Oregon non-profit corporation, acting as the Local Workforce Development Board (the “**Local WDB**”) for Clackamas County (the “**Local Area**”), the Clackamas County Board of County Commissioners, the chief elected official for the Local Area (“**CEO**”), and each other party whose name and signature appears on the signature pages hereof (each, a “**Party**” and, collectively, the “**Parties**”).

RECITALS

A. The federal Workforce Innovation and Opportunity Act (the “**WIOA**”) contemplates that the Local Workforce Development Board, the chief elected official, each entity (each a “**Required One-Stop Partner**” and, collectively, the “**Required One-Stop Partners**”) that carries out a program described in Section 121(b)(1)(B) of the WIOA, and other entities, carrying out a workforce development program, that are approved by the Local Workforce Development Board and the chief elected official (the “**Other One-Stop Partners**”) (the Required One-Stop Partners and the Other One-Stop Partners, each a “**One-stop Partner**” and, collectively, the “**One-Stop Partners**”) in a local area will enter into a Memorandum of Understanding as described in Section 121(c) of the WIOA and 20 CFR 678.500 to provide for the allocation among themselves and payment of the infrastructure costs of the “**One-Stop Centers**” contemplated by the WIOA and through which the One-Stop Partners deliver their workforce development programs (the “**Programs**”).

B. Under 20 CFR 678.420(b)(2), the allocation of One-Stop Center infrastructure costs among the One-Stop Partners must be based on (1) each One-Stop Partners’ proportionate use and relative benefit received, (2) federal cost principles, and (3) any local administrative cost requirements in the Federal law authorizing the One-Stop Partner's program.

C. If the Local Workforce Development Board, the chief elected official, and the One-Stop Partners in a local area fail to enter into an agreement for the allocation and payment, among the One-stop Partners, of the infrastructure costs of the One-Stop Center in their local area, the Governor will allocate the infrastructure costs among the One-Stop Partners in accordance with the process set forth in 20 CFR 678.731.

D. The WIOA also contemplates that the Local Workforce Development Board, the chief elected official, and the One-Stop Partners will enter in an agreement to provide for the allocation and payment, among the One-stop Partners, of additional shared costs relating to the operation of the One-Stop Centers. These costs must include the costs of applicable career services and may include any other shared services that are authorized for and commonly provided through the One-Stop Partner Programs.

E. Under 20 CFR 678.760, the allocation of One-Stop Center operating costs among the One-Stop Partners must be based on the proportion of benefit received by each of the One-Stop Partners, consistent with applicable federal law.

F. The CEO, the Local WDB, and the One-Stop Partners party hereto (the “**Local One-Stop Partners**”), after completing their negotiations and discussions on the allocation of infrastructure costs and operating costs for the One-Stop Center in the Local Area, desire to enter into this agreement to implement their allocation arrangement and provide for payment of the One-Stop infrastructure costs and operating costs in accordance with the requirements of the WIOA and its implementing regulations.

NOW THEREFORE, the Parties hereby agree as follows:

AGREEMENT

ARTICLE 1

BUDGET, ALLOCATION AND PAYMENT OF INFRASTRUCTURE COSTS

Section 1.1 **Infrastructure Cost Budget.** The Infrastructure Cost Budget for the One-Stop Center in the Local Area for Program Year 2018 (July 1, 2018, to June 30, 2019) (an “**Infrastructure Cost Budget**”) is set forth on Exhibit A. The Parties may amend this Agreement to add Infrastructure Cost Budgets for future program years through preparation of a written Infrastructure Cost Budget for the year and execution thereof by each of the Parties. Upon such execution, the Infrastructure Cost Budget shall be deemed added to Exhibit A and shall serve as the Infrastructure Cost Budget for the specified year for purposes of this Agreement. Subject to earlier termination as provided herein, this Agreement shall continue to govern the Parties rights and obligations related to infrastructure costs of the One-Stop Center in the Local Area so long as Exhibit A includes an Infrastructure Cost Budget for the then-current program year. This Agreement shall automatically terminate at the beginning of the first program year lacking an Infrastructure Cost Budget in Exhibit A.

Section 1.2 **Infrastructure Cost Allocation.** The costs in an Infrastructure Cost Budget are allocated among the Local One-Stop Partners as set forth in Exhibit B (the “Infrastructure Cost Allocation”). At the request of the Local WDB from time to time, but not less frequently than once per year, the Parties shall review infrastructure costs incurred for operation of the One-Stop Center in the Local Area and the allocation of those costs under the Infrastructure Cost Allocation to confirm that the infrastructure costs actually allocated to each Local One-Stop Partner are proportionate to that Local One-Stop Partner’s use of the One-Stop Center and the relative benefit received by each Local One-Stop Partner and the Local One-Stop Partner’s programs and activities. As a result of such review, the Parties shall make any necessary adjustments to the Infrastructure Cost Allocation through amendment of this Agreement. If the Parties fail to reach agreement on the need for adjustments to the Infrastructure Cost Allocation, the Local WDB shall convene a meeting among representatives of Parties to resolve the disagreement.

Section 1.3 **Infrastructure Cost Payment.**

1.3.1 Infrastructure Cost Contributions. No later than 30 days after the end of each calendar quarter, each Local One-Stop Partner shall notify the Local WDB in writing of any cash or in-kind contributions to cover costs included in the applicable Infrastructure Cost Budget that the Local One-Stop Partner made during the prior calendar quarter, any information needed from that Local One-Stop Partner to apply the Infrastructure Cost Allocation for the quarter, and supporting documentation for such in-kind contributions and cost allocation information as the Local WDB may reasonably request. Any in-kind contributions will be valued consistent with 2 CFR 200.306; provided, however, to the extent allowed, if any, by 2 CFR 200.306, the Local One-Stop Partners will negotiate and agree upon the identification, inclusion, and value of in-kind contributions. If the Local One-Stop Partners cannot agree on whether a proposed in-kind contribution should be included, or its value, the in-kind contribution will not be applied to the calculation to determine the amount by which that Local One-Stop Partner's in-kind contributions exceed its allocation of the infrastructure costs for the quarter. A Local One-Stop Partner's failure to notify the Local WDB of such in-kind contributions and cost allocation information within 45 days of the end of the calendar quarter shall, at the discretion of the Local WDB, constitute that Local One-Stop Partner's waiver of any right to payment for any amount by which that Local One-Stop Partner's in-kind contributions exceed its allocation of the infrastructure costs for the quarter.

1.3.2 Payment of Infrastructure Costs. No later than 45 days after the end of each calendar quarter and based on the information received from the Local One-Stop Partners under Section 1.3.1, the applicable Infrastructure Cost Budget, and the Infrastructure Cost Allocation, the Local WDB shall notify each Local One-Stop Partner of the total infrastructure costs incurred during the quarter, by Infrastructure Cost Budget line item, and of the portion of those costs allocated to that Local One-Stop Partner. Such notification shall identify and reflect any cash or in-kind contributions to the infrastructure costs of the One-Stop Center received from other than a Local One-Stop Partner during the quarter (which reduce the overall costs otherwise allocated to the Local One-Stop Partners), with any in-kind contributions valued consistent with 2 CFR 200.306 and Section 1.3.1. If the portion of the infrastructure costs allocated to a Local One-Stop Partner for the quarter exceeds the Local One-Stop Partner's contributions to infrastructure costs during the quarter, that Local One-Stop Partner shall, subject to Article 3, pay the difference to the Local WDB no later than 45 days after receipt of notification from the Local WDB of the infrastructure costs for the quarter. If the portion of the infrastructure costs allocated to a Local One-Stop Partner for the quarter is less than the Local One-Stop Partner's contributions to infrastructure costs during the quarter, the Local WDB shall, subject to Article 3, pay the difference to that Local One-Stop Partner promptly after the Local WDB's receipt of sufficient funds from the other Local One-Stop Partners to make that payment.

1.3.3 Cost Overruns. If the Local WDB anticipates that future infrastructure costs for a program year will exceed the Infrastructure Cost Budget for that year (either overall or on a line-item basis), the Local WDB shall notify each Party and recommend that the Parties negotiate an adjusted Infrastructure Cost Budget for the year. If the Parties reach agreement on an adjusted Infrastructure Cost Budget for the year, the Parties may amend this Agreement to replace the existing Infrastructure Cost Budget for the year with the adjusted Infrastructure Cost Budget for the year through execution by each of the Parties of a written adjusted Infrastructure Cost Budget for the year. Upon such execution, the adjusted Infrastructure Cost Budget for that year shall be deemed to replace the existing Infrastructure Cost Budget for that year. Regardless of whether the Parties agree on an adjusted Infrastructure Cost Budget for a year, any cost (of a type included in the Infrastructure Cost Budget)

overrun incurred while this Agreement is in effect shall be allocated to each Local One-Stop Partner in the same proportion as such cost would be allocated under this Agreement if it were not a cost overrun. If the Parties agree on an adjusted Infrastructure Cost Budget after the expiration of the year for which that budget is applicable, the Parties may amend this Agreement to replace the existing Infrastructure Cost Budget for that prior year and shall otherwise adjust their cost allocations and later in time payments so as to reconcile or “true up” amounts actually received or paid with the adjusted budget. The Parties intend to limit the total amount of any infrastructure cost adjustments for a year to no more than a ten percent (10%) increase to the Infrastructure Cost Budget allocation of each Local One-Stop Partner.

ARTICLE 2

BUDGET, ALLOCATION AND PAYMENT OF ADDITIONAL SHARED COSTS

Section 2.1 **Additional Shared Cost Budget.** The Additional Shared Cost Budget for the One-Stop Center in the Local Area for Program Year 2017 (July 1, 2017, to June 30, 2018) (an “**Additional Shared Cost Budget**”) is set forth on Exhibit C. The Parties may amend this Agreement to add Additional Shared Cost Budgets for future program years through preparation of a written Additional Shared Cost Budget for the year and execution thereof by each of the Parties. Upon such execution, the Additional Shared Cost Budget shall be deemed added to Exhibit C and shall serve as the Additional Shared Cost Budget for the specified year for purposes of this Agreement. Subject to earlier termination as provided herein, this Agreement shall continue to govern the Parties rights and obligations related to additional shared costs of the One-Stop Center in the Local Area so long as Exhibit C includes an Additional Shared Cost Budget for the then-current program year. This Agreement shall automatically terminate at the beginning of the first program year lacking an Additional Shared Cost Budget in Exhibit C.

Section 2.2 **Additional Shared Cost Allocation.** The costs in an Additional Shared Cost Budget are allocated among the Local One-Stop Partners as set forth in Exhibit D (the “Additional Shared Cost Allocation”). At the request of the Local WDB from time to time, but not less frequently than once per year, the Parties shall review additional shared costs incurred for operation of the One-Stop Center in the Local Area and the allocation of those costs under the Additional Shared Cost Allocation to confirm that the additional shared costs actually allocated to each One-Stop Partner are proportionate to the benefit received by that One-Stop Partner’s use of the One-Stop Center. As a result of such review, the Parties shall make any necessary adjustments to the Additional Shared Cost Allocation through amendment of this Agreement. If the Parties fail to reach agreement on the need for adjustments to the Additional Shared Cost Allocation, the Local WDB shall convene a meeting among representatives of Parties to resolve the disagreement.

Section 2.3 **Additional Shared Cost Payment.**

2.3.1 **Additional Shared Cost Contributions.** No later than 30 days after the end of each calendar quarter, each One-Stop Partner shall notify the Local WDB in writing of any cash or in-kind contributions to cover costs included in the applicable Additional Shared Cost Budget that the One-Stop Partner made during the prior calendar quarter, any information needed from that One-Stop Partner to apply the Additional Shared Cost Allocation for the quarter, and supporting documentation for such contributions and information as the Local WDB may reasonably request. Any in-kind contributions will be valued consistent with 2 CFR 200.306; provided, however, to the extent allowed,

if any, by 2 CFR 200.306, the Local One-Stop Partners will negotiate and agree upon the identification, inclusion, and value of in-kind contributions. If the Local One-Stop Partners cannot agree on whether a proposed in-kind contribution should be included, or its value, the in-kind contribution will not be applied to the calculation to determine the amount by which that Local One-Stop Partner's in-kind contributions exceed its allocation of the infrastructure costs for the quarter. A One-Stop Partner's failure to notify the Local WDB of such contributions and information within 30 days of the end of the calendar quarter shall, at the discretion of the Local WDB, constitute that Local One-Stop Partner's waiver of any right to payment for any amount by which that Local One-Stop Partner's in-kind contributions exceed its allocation of the additional shared costs for the quarter.

2.3.2 Payment of Additional Shared Costs. No later than 45 days after the end of each calendar quarter and based on the information received from the Local One-Stop Partners under Section 2.3.1, the applicable Additional Shared Cost Budget, and the Additional Shared Cost Allocation, the Local WDB shall notify each Local One-Stop Partner of the total additional shared costs incurred during the quarter, by Additional Shared Cost Budget line item, and of the portion of those costs allocated to that Local One-Stop Partner. Such notification shall identify and reflect any cash or in-kind contributions to the additional shared costs of the One-Stop Center received from other than a Local One-Stop Partner during the quarter (which reduce the overall costs otherwise allocated to the Local One-Stop Partners), with any in-kind contributions valued consistent with 2 CFR 200.306 and Section 2.3.1. If the portion of the additional shared costs allocated to a Local One-Stop Partner for the quarter exceeds the Local One-Stop Partner's contributions to additional shared costs during the quarter, that Local One-Stop Partner shall, subject to Article 3, pay the difference to the Local WDB no later than 30 days after receipt of notification from the Local WDB of the additional shared costs for the quarter. If the portion of the additional shared costs allocated to a Local One-Stop Partner for the quarter is less than the Local One-Stop Partner's contributions to additional shared costs during the quarter, the Local WDB shall, subject to Article 3, pay the difference to that Local One-Stop Partner promptly after the Local WDB's receipt of sufficient funds from the other Local One-Stop Partners to make that payment.

2.3.3 Cost Overruns. If the Local WDB anticipates that future additional shared costs for a program year will exceed the Additional Shared Cost Budget for that year (either overall or on a line-item basis), the Local WDB shall notify each Party and recommend that the Parties negotiate an adjusted Additional Shared Cost Budget for the year. If the Parties reach agreement on an adjusted Additional Shared Cost Budget for the year, the Parties may amend this Agreement to replace the existing Additional Shared Cost Budget for the year with the adjusted Additional Shared Cost Budget for the year through execution by each of the Parties of a written adjusted Additional Shared Cost Budget for the year. Upon such execution, the adjusted Additional Shared Cost Budget for that year shall be deemed to replace the existing Additional Shared Cost Budget for that year. Regardless of whether the Parties agree on an adjusted Additional Shared Cost Budget for a year, any cost (of a type included in the Additional Shared Cost Budget) overrun incurred while this Agreement is in effect shall be allocated to each Local One-Stop Partner in the same proportion as such cost would be allocated under this Agreement if it were not a cost overrun. If the Parties agree on an adjusted Additional Shared Cost Budget after the expiration of the year for which that budget is applicable, the Parties may amend this Agreement to replace the existing Additional Shared Cost Budget for that prior year and shall otherwise adjust their cost allocations and later in time payments so as to reconcile or "true up" amounts actually received or paid with the adjusted budget. The Parties intend to limit the

total amount of any additional shared cost adjustments for a year to no more than a ten percent (10%) increase to the Additional Shared Cost Budget allocation of each Local One-Stop Partner.

ARTICLE 3 CONDITIONS TO PAYMENT OBLIGATIONS

If a Party is an agency of the State of Oregon, then such Party's payment obligations under this Agreement are conditioned on the Party receiving sufficient funding, appropriations and other expenditure authorizations to allow that Party, in the reasonable exercise of its administrative discretion, to make the payment. If a Party is a local government, then such Party's payment obligations under this Agreement are conditioned on the Party receiving from its governing body sufficient funding, appropriations and other expenditure authorizations to allow that Party, in the reasonable exercise of its administrative discretion, to make the payment. If a Party is a local workforce development board that is subject to debt limitations imposed, or expenditures or funding authorized, by law, because of its unique relationship with local governments, then such Party's obligations under this Agreement are conditioned on that Party receiving sufficient funding, appropriations or other expenditure authorizations to allow that Party, in the exercise of its reasonable administrative discretion, to make the payment.

ARTICLE 4 TERM AND TERMINATION

Section 4.1 **Term.** This Agreement shall remain in effect until the earlier of (1) its termination under Sections 1.1 or 2.1 or (2) a Party's exercise of its right to terminate this Agreement under this Article 4.

Section 4.2 **Termination.** This Agreement may be terminated as follows:

4.2.1 **Notice.** A Party may terminate this Agreement effective upon 90 days advance written notice to each other Party.

4.2.2 **Non-appropriation.** A Party may terminate this Agreement effective upon written notice to each other Party, if a Party fails to receive sufficient funding, appropriations and other expenditure authorizations to allow that Party, in the reasonable exercise of its administrative discretion, to continue making payments under this Agreement, as further described in Article 3.

4.2.3 **Change in Law.** A Party may terminate this Agreement effective upon written notice to each other Party, if federal or state laws, rules, regulations or guidelines are modified or are interpreted by the Federal Grant recipient agencies in such a way that the financing of One-Stop Center infrastructure costs as contemplated by this Agreement is no longer allowable.

4.2.4 **Non-compliance.** A Party may terminate this Agreement effective upon 30 days advance written notice to each other Party, if a Party fails to comply with its obligations under this Agreement, including a failure to make a required payment, and such failure remains uncured at the end of the 30-day period.

ARTICLE 5

EFFECT OF TERMINATION

Section 5.1 **Costs Incurred.** Termination of this Agreement shall not affect a Local One-Stop Partner's responsibility under this Agreement for infrastructure costs and additional shared costs incurred prior to the date of termination. Each Local One-Stop Partner shall continue to be responsible for its allocable portion of such costs in accordance with the terms and conditions of Articles 1 and 2.

Section 5.2 **Default Cost Allocation.** Unless the Parties have entered into a successor agreement for the allocation of infrastructure costs for the One-Stop Center in the Local Area, upon termination of this Agreement, the Local WDB shall so notify the Governor and such infrastructure costs will be allocated by the Governor among the Parties in accordance with the process set forth in 20 CFR 678.730 to 750. There is no default funding allocation for additional shared costs, in the event of termination of this Agreement.

ARTICLE 6 GENERAL

Section 6.1 **Counterparts.** This Agreement may be executed in any number of counterparts, and any single counterpart or set of counterparts signed, in either case, by all the parties hereto shall constitute a full and original instrument, but all of which shall together constitute one and the same instrument.

Section 6.2 **Survival.** Articles 5 and 6 shall survive termination of this Agreement.

Section 6.3 **Notice.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed effective (1) when actually delivered in person, (2) one business day after deposit with a commercial courier service for "next day" delivery, (3) two business days after having been deposited in the United States mail as certified or registered mail, or (4) when transmitted by email, addressed to a Party as set forth on the signature pages hereof.

Section 6.4 **Records and Inspection.** Each Local One-Stop Partner shall keep proper books of account and records on all costs in an Infrastructure Cost Budget that it incurs prior to the date of termination of this Agreement. Each Local One-Stop Partner will maintain these books of account and records in accordance with generally accepted accounting principles and shall retain the books of account and records until the later of: (i) termination of this Agreement, (ii) the date that all disputes, if any, arising under this Agreement have been resolved or (iii) the period required by any applicable records retention or similar laws. Each Party will permit each other Party and/or its duly authorized representatives to inspect, review and make excerpts and transcripts of such books of account and records. Access to these records is not limited to the required retention period. The authorized representatives shall have access to the records at any reasonable time for as long as the records are maintained.

Section 6.5 **Successors and Assigns.** No Party may assign this Agreement or any right hereunder or interest herein, in whole or in part, without the prior written consent of each other Party. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective permitted successors and assigns.

Section 6.6 **Governing Law, Jurisdiction, Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to its conflicts of law principles. Any legal action regarding this Agreement must be brought and conducted in the Circuit Court of the State of Oregon for Marion County (unless Oregon law requires that it be brought and conducted in the Circuit Court in another Oregon county). Each Party hereby consents to the exclusive jurisdiction of such court, waives any objection to venue, and waives any claim that such forum is an inconvenient forum.

Notwithstanding the preceding paragraph, if a claim must be brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for the District of Oregon. This paragraph applies to a claim brought against the State of Oregon only to the extent Congress has appropriately abrogated the State of Oregon's sovereign immunity and is not consent by the State of Oregon to be sued in federal court. This paragraph is also not a waiver by the State of Oregon of any form of defense or immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

Section 6.7 **Modification; Prior Grant Agreements; Headings.** This Agreement may not be modified or amended except by an instrument in writing signed by each Party. This Agreement reflects and sets forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to such subject matter. The headings in this Agreement are for the purpose of reference only and shall not limit or otherwise affect any of the terms hereof.

Section 6.8 **Validity; Severability.** If any provision of this Agreement is held to be invalid, such event shall not affect, in any respect whatsoever, the validity of the remainder of this Agreement, and the remainder shall be construed without the invalid provision so as to carry out the intent of the Parties to the extent possible without the invalid provision.

Section 6.9 **Exhibits.** The exhibits to this Agreement are, by this reference, incorporated into and deemed a part of this Agreement as if they were fully set forth in the text hereof. If the language in an Exhibit conflicts with or is inconsistent with language not appearing in an Exhibit, the latter shall control.

Section 6.10 **Time of Essence.** Time is of the essence of this Agreement.

Section 6.11 **Relationship of the Parties.** Nothing contained in this Agreement or any acts of the Parties hereto shall be deemed or construed to create the relationship of principal and agent, or of partnership, or of joint venture or of any other association other than that of independent contracting parties.

Section 6.12 **No Third Party Beneficiary Rights.** No person not a party to this Agreement is an intended beneficiary of this Agreement, and no person not a party to this Agreement shall have any right to enforce any term of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

Jessica Amaya, SSP Program Manager
For Department of Human Services – Self-Sufficiency
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For Department of Human Services – Vocational Rehabilitation
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David Cheveallier, President/CEO
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On Behalf of the Clackamas County Board of County Commissioners
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**EXHIBIT A
INFRASTRUCTURE COST BUDGET**

On or about July 1, 2018 we will have an MOU/IFA in place covering colocated workforce partners. The financial arrangements will be reflected in one of three ways: 1) the lease, 2) partner sharing agreements, or 3) other arrangements. These arrangements will be captured in this ever-evolving exhibit. Leases, costs and allocations change and, hopefully, our partnerships will expand and there will be a higher level of co-location over time.

In the table below, partner agreements are listed based on their status of being in place, in process or anticipated.

| L (Lease) P (PCSA) O (Other) | Party #1 | Party #2 | Annual Cost | Currently Executed | In Process | Expected Date | Anticipated New or Mod | Expected Date |
|------------------------------------|------------------------|---------------------------------|-------------|--------------------|------------|---------------|------------------------|---------------|
| L | Oregon Employment Dept | Clackamas Workforce Partnership | \$5277.60 | X | | | | |
| P | Oregon Employment Dept | Clackamas Workforce Partnership | \$3933.60 | X | | | | |
| L | Oregon Employment Dept | Dynamic Educational Systems | \$978.00 | | X | 7/15/18 | | |
| P | Oregon Employment Dept | Dynamic Educational Systems | \$1536.00 | X | | | | |
| L | Oregon Employment Dept | Easter Seals | \$922.08 | X | | | | |
| P | Oregon Employment Dept | Easter Seals | \$842.40 | X | | | | |
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Next Steps.

In order to determine the infrastructure for non-colocated workforce partners (NCWP’s), the Parties agree to the process described in “MOU/IFA Version 2.0,” included in this Agreement as Exhibit E. The intent of the process described in Exhibit E is to arrive at said costs to take effect July 1, 2019 unless the Parties agree to an earlier date. Once agreement is reached, that agreement or set of agreements for infrastructure costs for NCWP’s shall be added to this Exhibit A.

EXHIBIT B
INFRASTRUCTURE COST ALLOCATION

Infrastructure cost allocation is provided through the documents identified in Exhibit A.

EXHIBIT C
ADDITIONAL SHARED COST BUDGET

The contents and structure of Exhibit C & D will be determined in accordance with the agreed upon action plan described in Exhibit E.

EXHIBIT D
ADDITIONAL SHARED COST ALLOCATION

The contents and structure of Exhibit C & D will be determined in accordance with the agreed upon action plan described in Exhibit E.

EXHIBIT E

THE MOU/IFA VERSION 2.0 ACTION PLAN

On or about July 1, 2018, a MOU/IFA will be in place covering co-located workforce partners. The financial arrangements will be reflected in one of three ways: 1) leases, 2) partner sharing agreements, or 3) other arrangements. These arrangements will be captured in an ever evolving exhibit. Leases, costs and allocations change and partnerships will expand and there will be a higher level of co-location over time.

On or about July 1, 2018, work will begin on an IFA covering non co-located workforce partners (NCWP's). The goal is to reach agreement by December 15, 2018.

There are nine workforce areas and a multitude of NCWP's. Some NCWP's are State agencies and some are local organizations. Some are public entities, some are nonprofits, and a few are private corporations (e.g. for-profit companies operate many Jobs Corps centers). Some operate on a July 1st budget cycle and others may be on a school year or a calendar year. Recognizing the complexity, the "MOU/IFA Version 2.0" process should be as simple as possible.

There are five sequential tasks:

- Step 1: Agreement on the core WSO philosophy – every partner customer is a workforce system customer. We will serve every customer utilizing all our combined resources as effectively as possible. Validating the mechanics of how this will work is the first task. WIOA requires that NCWP's offer their core services in at least one comprehensive center per workforce area. Those services may either be provided using technology or through cross training. Mere cross referral – "You need to go across town to the XYZ building" – isn't enough.
- Step 2: Estimating the infrastructure and other (mostly personnel) costs for the process agreed to in Step 1 comes next. This may involve sharing some technology, telephone, or "resource coordination" costs.
- Step 3: Once the costs to be potentially shared are identified and grouped, an allocation method can be developed which is simple and fair. Costs are to be shared based upon the estimated benefit to each partner's customers. Service numbers can be used (if available and equitable, a big "if"), the relative number of staff participating in the shared service provision process can be used or some other methodology. Sometimes the costs aggregated in Step 2 are small enough that NCWP's do not have a preference which allocation methodology is used so long as it is simple and predicable.
- Step 4: Agreement on the process for gathering and collecting costs, including periodic reconciliation. Identifying which agency will handle reconciliation. Identifying how adjustments occur and how disputes be resolved? Identifying how often the agreement is reviewed and revised?
- Step 5: Getting the MOU/IFA "terms and conditions" executed. There will be multiple agencies involved making agreement on language a challenge.

Two separate negotiation approaches would begin this July – one involving State agency NCWP's (DHS, Adult Ed, Voc Rehab, etc.) and a second at the local level for local agencies (Job Corps, Tribes, etc.). It is important to decide up front which NCWP's belong in each group.

In the “two groups” approach, the “State Agency” work group would include 1) two representatives from each State agency, one with program authority and another with budget authority; 2) three or four WDB representatives tasked with coming up with an agreement all nine can live with; 3) Karen Humelbaugh or her designee; 4) a neutral facilitator and a neutral note taker/disseminator. It is important that the group not get too big. It is equally important that the process be transparent and allow for input from partners and WDB’s not in attendance. The “MOU/IFA Version 1.0” process for co-located partners seems to have worked out so perhaps a similar workgroup should be constituted.

The second prong of the negotiation strategy – for local agencies - would happen in each of the nine workforce areas and would be led by WDB staff. Some agreements may already have been struck. Advice and technical assistance would be provided upon request. Some local workforce areas may elect to handle the “local agency” negotiation together.

Timing ...

- 1) July ... convene the State Agency work group. Convene Local Agency work groups. Care should be taken (to the extent possible) to ensure that those who attend have the authority to make commitments.
- 2) August ... Complete Step 1, agreement on the WSO philosophy and shared service delivery mechanics. If agreement cannot be reached, agree to disagree and come up with a fair and speedy way to reach resolution.
- 3) September ... Complete Steps 2 and 3, shared costs and the allocation methodology.
- 4) October ... Complete Step 4 and agree on “terms and conditions” in Step 5.
- 5) November ... Execute the agreement. It will take effect July 1, 2019 unless the parties agree to a different date. Some agencies may not have room to budget for costs until their fiscal year begins and this will be addressed when and if it comes up.
- 6) December 15th: Full and final resolution of any disputes.