

## ADDENDUM FOUR

DATE: April 2, 2014

TO: All Vendors

FROM: Michelle Thompson/Kristi Kling, Buyers  
State Purchasing Bureau

RE: Amended sections of the original RFP Number 4643 Z1

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### **Amendment Summary:**

Please be advised that the above RFP has been amended as follows:

1. The original RFP contained a number of references to “Administrative” costs. The amended RFP refers instead to “Operational” costs. All costs previously classified as “Administrative” costs are now classified as “Operational” costs.
2. The original RFP required bidders to limit “Administrative” costs to 10% of the contract amount. The amended RFP does not contain a corresponding limitation for “Operational” costs.
3. The original RFP did not prohibit the vendor from participating in the employment subsidy program as an employer; however the amended RFP does prohibit contain such a prohibition.
4. Due to the above changes, Answers 1 and 2, posted by the State on March 27, 2014 have been amended. Vendors are directed to disregard the original answers.

The following amended sections are replaced and superseded as follows:

### **Section III, DD Retainage**

The State will withhold five percent (5%) of each monthly payment for operational costs due as retainage. The retainage amount will be payable annually upon successful completion of the Project/Contract Requirements in Section IV.D. Upon completion of the Project/Contract Requirements, the contractor will invoice the State for the retainage. The State may reject the annual invoice by identifying the specific reasons for such rejection in writing to the contractor within 45 calendar days of receipt of the annual invoice. Otherwise, the project will be deemed accepted and the State will release the annual retainage in accordance with the contract payment terms.

### **Section IV, A Project Overview**

Legislative Bill 368, adopted in 2013 and codified at Neb. Rev. Stat. §§48-3101 through 48-3108, provides for a Statewide Subsidized Employment Pilot Program.

[http://www.nebraskalegislature.gov/laws/search\\_range\\_statute.php?begin\\_section=48-3101&end\\_section=48-3108](http://www.nebraskalegislature.gov/laws/search_range_statute.php?begin_section=48-3101&end_section=48-3108)

The Subsidized Employment component is employment in the private sector for which the Participant is paid wages and the same benefits as a nonsubsidized employee who performs similar work, while the employer receives a subsidy from Temporary Assistance for Needy Families (TANF) to offset some or all of the wages and costs of employing a participant. Subsidized Employment provides the Participant with an opportunity to gain job skills and experience. The goal of this activity must be to prepare Participants for and assist them in securing permanent unsubsidized employment and achieving economic self-sufficiency.

During the subsidized period, the employer must provide necessary training, guidance, and direction to the Participant. At the end of the subsidy period, the employer is expected to retain the Participant as a regular employee without receiving a subsidy.

Work experience is necessary to obtain employment in a competitive job market. Businesses find creating capacity to add employees during a time of economic recovery challenging. Subsidized Employment can benefit employers and workers in need of experience. Increasing opportunities for Aid to Dependent Children (ADC) recipients to engage in meaningful workplace experience can significantly contribute to their long-term employability. Providing Subsidized Employment can also help businesses to grow. Subsidized Employment aids employers in developing work placements for ADC recipients.

All ADC recipients who are defined as a work-eligible individual must participate in Employment First (EF), Nebraska's welfare-to-work program. Each mandatory individual must participate in approved work activities that will assist the family in achieving their highest level of economic independence possible through work.

One million dollars (\$1,000,000) has been appropriated from federal TANF funds for

each state fiscal year from July 1, 2014 through June 30, 2018 for a Statewide Subsidized Employment Pilot Program. Total funds appropriated are for both operational costs and wage subsidies to employers. Operational cost shall not be defined to include cost for wage subsidies to employers.

**Section IV, B Business Requirements**

1. The contractor must be a nonprofit organization.
2. The contractor must have the capability to reimburse employers for all or part of wages paid to participants.
3. The contractor's operational costs must be specified separately from wage subsidies to employers.
4. The contractor is not allowed to serve as an employer under the program.

**Section IV, F Deliverables**

1. Reimbursement of wages (subsidies) for those served under the Subsidized Employment program as specified in Section IV.C. Scope of Work.
2. Operational Costs as identified in Attachment A. The contractor's operational costs must be specified separately from wage subsidies to employers.