



RFP Announcement

**National Association of State Workforce Agencies (NASWA)
Center for Employment Security Education and Research (CESER)
Information Technology Support Center (ITSC)**

Request for Proposal: Data Validation Technical Assistance and Training Program

The Information Technology Support Center (ITSC) is seeking to procure the services of a contractor through a fixed priced contract that can develop an assessment plan and successfully conduct an assessment of the current status of the Unemployment Insurance (UI) Data Validation (DV) system. The contractor will review the DV process in each state, develop a summary report based on the results of the assessment, and recommend and provide necessary training and technical assistance (TA) in a cost effective manner, based on resources that are available. The Data Validation Technical Assistance and Training Program project will consist of two phases:

Phase 1: ITSC will select a contractor to develop a comprehensive assessment of the current status of DV activities across the UI system.

Phase 2: Based on the results of Phase 1, the contractor will propose for approval, the most effective strategies to use to assist states that require TA and training. The contractor should address both strategies that may be applicable system-wide, and those that may apply to states with specific problems

Important Dates:

RFP Publication Date: February 21, 2012

Bidders Webinar/Teleconference: February 28, 2012 at 2:00PM EST

- <http://naswa.webex.com/naswa>
- Keyword Search: **"RFP"**
- Click "Register"

Proposal Due Date: March 23, 2012 by 5:00 p.m. EST to RFP_responses@itsc.org



Request for Proposal (RFP)

For:

Data Validation Technical Assistance and Training Program

Issued By:

**National Association of State Workforce Agencies
Center for Employment Security Education and Research
UI Information Technology Support Center**

Circulation Date
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Data Validation Technical Assistance and Training Program

1. Introduction

The National Association of State Workforce Agencies (NASWA), Information Technology Support Center (ITSC) is seeking a contractor who can develop an assessment plan and successfully conduct an assessment of the current status of the Unemployment Insurance (UI) Data Validation (DV) system. The contractor will review the DV process in each state, develop a summary report based on the results of the assessment, and recommend and provide necessary training and technical assistance (TA) in a cost effective manner, based on resources that are available.

2. Project Description

The Employment and Training Administration (ETA) Office of Unemployment Insurance (OUI) is required to ensure conformity and compliance of state unemployment compensation (UC) laws, regulations, rules, and operations with Federal law. Developing a thorough understanding of the current status of key systems is critical to this effort. In order to continue to align ETA's strategy for the ongoing assessment and technical assistance that is necessary for the DV processes to function properly, it is critical to refresh OUI's knowledge of the issues and problems that states face. This is one of the key strategies used to ensure this federal function is accomplished.

OUI utilizes a number of strategies to accomplish this. One of these strategies is to assess state needs and provide technical assistance (TA) to state agency information technology (IT) and DV staff. An ongoing issue is the ever-tightening federal and state budgets and limited resources. Budgets have been limited both for state staff to travel for in-person training and for Federal staff to travel for TA. OUI is considering options on how to provide TA most effectively including providing TA remotely.

Contractor support is needed to provide a comprehensive assessment of problems states are currently facing to effectively implement their DV processes, including utilizing their IT systems to meet the unemployment insurance (UI) DV requirements. It is expected that this project will identify shortcomings throughout the DV process in states, and provide a general assessment of the issues identified. Based on this analysis and assessment, appropriate IT support and other technical assistance will be identified and applied as appropriate.

The Data Validation Technical Assistance and Training Program project will consist of two phases:

Phase 1: ITSC will select a contractor to develop a comprehensive assessment of the current status of DV activities across the UI system. The contractor will review documents provided by USDOL on: a) the recent status of which states have submitted DV results, which have passed, failed, etc.; and (b) Corrective Action Plans submitted by states as part of the FY 2012 SQSP submission. The Contractor will then develop an appropriate system-wide

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assessment plan, obtain ITSC and OUI concurrence, and conduct the system-wide assessment to determine the status of, and issues associated with, the DV program in **53 states**. The contractor will produce a draft report for comment on the results of the assessment and, after receiving comments provided from ITSC and OUI, produce a final report.

In order to guide this assessment, OUI will provide appropriate information as requested by the contractor, but most of the information is available at: <http://www.ows.doleta.gov/dv/>. Attachments to this document include: (a) Recent DV results by state, showing which items have passed, failed and not been submitted; (b) Corrective Action Plans submitted by states as part of the FY 2012 State Quality Service Plan (SQSP) submission, (c) a summary of documents available at the ETA DV website, and (d) a brief overview of the DV process.

The contractor will include these documents and other information as appropriate in its review. As part of the assessment process, the contractor will submit, a plan for contacting the states. ITSC and OUI will approve the plan and provide appropriate protocol and state contact information. The contractor will contact states to gain additional information on the status of state systems and other issues such as the reason for non-submission, and technical issues that they face with the validation process. This information will be documented and used to develop an assessment of the DV process among the states and options to provide TA across the states.

Phase 2: Based on the results of Phase 1, the contractor will propose for ITSC and OUI approval, the most effective strategies to use to assist states that require TA and training. The contractor should address both strategies that may be applicable system-wide, and those that may apply to states with specific problems.

The work to be accomplished in this phase, to develop an approach/plan to provide technical assistance to the states, will be informed by and conducted in conjunction with, OUI's and ETA's National (NO) and Regional (RO) office staff. The contractor selected in Phase 1, under the overall supervision of the ITSC, will then work with states to provide appropriate TA. The lessons learned from the states will then be shared with the remaining states. It is expected that the information developed by the contractor will be formatted using ETA guidelines for inclusion in the appropriate ETA/OUI websites.

Anecdotal information currently available to OUI and to some ITSC staff indicates that some of the DV problems which states are experiencing may in fact not be caused by improper DV techniques but rather because state benefit systems do not produce the correct data that are needed for the DV process. ITSC will be able to leverage the knowledge and experience gained in many of its current initiatives to assist states in implementing new benefit and tax IT modernization efforts.

3. Project Background

Assessments of program operations, and actions to improve them, must be based on accurate information. Efforts by the U.S. Department of Labor (USDOL) to promote State operations

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rely on accurate reporting. The UI DV effort is the Department's means for assessing and ensuring the accuracy of State UI reports. It is thus essential that states establish DV programs and operate them properly according to DV program specifications. Because of the Administration's emphasis on ensuring UI program integrity, it is particularly important that states properly validate reports on UI program integrity so that decisions made on the basis of these reports are made using accurate data.

The DV response rate from states varies widely; some states have robust DV efforts, others validate few if any of the required reported data elements. States face a number of problems and issues that may affect their ability to carry out a successful DV process. Some of these issues are well known and understood, including: lack of resources, competing priorities, various policy issues, challenged legacy IT systems, or a conversion in process to new benefit and tax IT systems.

The OUI understands where each state is with respect to its reporting, and also has an understanding of many of the reasons for failure or difficulty in validating these reports. However, UI is interested in gaining a more in-depth understanding of the IT, other system problems, and other issues the states face, so that it can apply the proper IT and other technical assistance interventions to improve the ability of all states to validate their reports successfully.

One group of states that may prove to be an important target consists of those states that appear to have a robust DV process but the reports do not pass validation because of errors in the reports provided by the state's benefit or tax systems which DV has identified. The solution may require documenting fixes required, working with state IT staff to affect the changes, correcting reporting systems--some of which are outdated--and possibly correcting other related errors as well.

4. Organization Background

NASWA is an organization of state administrators of unemployment insurance laws, employment services, training programs, employment statistics, labor market information and other programs and services provided through the publicly funded state workforce system. The mission of NASWA is to serve as an advocate for state workforce agencies, as a liaison to workforce system partners, and as a forum for the exchange of information. NASWA was founded in 1937. Since 1973, it has been a private, non-profit corporation, financed by annual dues from its member agencies and other revenue, <http://naswa.org/>.

CESER is an education and research center located within NASWA, focused on workforce development and unemployment insurance issues, <http://naswa.org/>.

ITSC is located within NASWA; it was established in 1994 as a national resource by DOL to assist all state UI agencies in the area of UI IT, <http://itsc.org/>.

The Office of Unemployment Insurance, ETA, USDOL is responsible for providing: leadership, direction and technical assistance to state workforce agencies in the implementation

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and administration of UI programs; oversight, guidance, and technical assistance for the federal-state unemployment compensation program; and budget and legislative support to state workforce agencies to administer their UI programs and assist individuals to return quickly to suitable work.

5. Overview–Federal-State Unemployment Insurance Program

In general, the federal-state UI Program provides unemployment benefits to eligible workers who are unemployed through no fault of their own (as determined under state UI law), and meet other eligibility requirements of state UI law. The UI program is jointly financed through federal and state employer payroll taxes (federal/state UI tax). Employers, generally, are subject to both state and federal unemployment taxes if: (1) they pay wages to employees totaling \$1,500, or more, in any quarter of a calendar year; or (2) they had at least one employee during any day of a week during 20 weeks in a calendar year, regardless of whether or not the weeks were consecutive. It should be noted that UI law(s) vary from state to state.

UI benefits are intended to provide temporary and partial wage replacement to unemployed individuals who meet the requirements of state law. Each state administers their individual UI program within guidelines established by Federal law. Eligibility for UI, benefit amounts and the length of time benefits are available are determined by the state law under which unemployment insurance claims are established.

4.1 Eligibility

Individuals must meet state monetary eligibility requirements based on wages earned or time worked during an established period of time referred to as a "base period." In most states, this is usually the first four out of the last five completed calendar quarters prior to the time that the claim is filed. Individuals must be determined to be unemployed through no fault of their own, and meet other eligibility requirements of State law.

4.2 Filing an Initial UI Benefit Claim

Individuals are expected to contact the State UI agency as soon as possible after becoming unemployed. Claims can be filed by telephone, over the Internet, by mail or in-person.

Generally, a claim is filed with the state where an individual worked. If an individual has worked in a state other than the one where he/she now lives or if the individual worked in multiple states, the state UI agency where the individual now lives can provide information about how to file a claim with other states or to combine base period wages to attain the maximum benefit entitlement.

It normally takes two to three weeks after an individual files a claim to receive the first benefit check. Some States require a one-week waiting period; therefore, the second week claimed is the first week of payment, if an individual is otherwise eligible.

4.3 Benefits

In general, benefits are based on a percentage of an individual's earnings over a recent 52-week base period up to a state maximum weekly benefit amount. Most states provide a maximum of 26 weeks of full benefits; in cases where the claimant has partial earnings, however, they could claim each week in the 52-week benefit year. These partial earnings could occur because, instead of being laid off, workers have their hours reduced during an economic downturn, or unemployed workers may find short-term work while looking for a permanent, full-time job. These circumstances characterize partial unemployment. The UI system is set up to permit benefit receipt by these workers as long as they meet all other eligibility requirements. However, the weekly benefit amount payable differs. The worker's UI payment will generally equal the difference between the weekly benefit amount and earnings. All states disregard some earnings as an incentive to take short-term work.

Additional weeks of benefits may be available during times of high unemployment, through a variety of extended benefit programs. The individual's weekly benefit amount remains the same for the additional weeks. Some states provide additional benefits under certain circumstances for specific purposes.

4.3.1 Continued Weekly Benefit Eligibility

An individual must file a weekly or biweekly claim certification at the end of a week of total or partial unemployment and respond to questions concerning their continued eligibility. The individual must report any earnings from work during the week(s) and any job offers or refusal of work during the week. Almost all weekly certifications are filed by telephone or Internet.

When a claimant becomes fully employed, or earns wages in excess of an allowable amount according to state law, they are not eligible for benefits. The largest cause of UI improper payments is claimants who return to either full-time or part-time employment and fail to report their earnings for the week being certified.

When directed, an individual must report to their local UI Claims Office or One-Stop/Employment Service Office on the day and at the time scheduled to do so. Benefits may be denied for failure to report for a scheduled interview. An individual must continue to meet the eligibility requirements as stated in the previous section.

4.4 Reporting and Data Validation

For performance measurement, budget formulation / allocation and other program oversight purposes, the USDOL requires states to submit different Unemployment Insurance Required Reports (UIRR) to the national office at various intervals ranging from weekly to annually. Further, USDOL requires each state to assess the accuracy of the data submitted in thirteen (13) of the important reports using a systematic procedure known as DV. DV comprises a combination of electronic and manual processes and is performed on a regularly scheduled basis as defined by USDOL. State Information System (IS) staff has responsibility for developing programs to produce the UIRR as well as programs to extract data from the UI system database

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and produce the population files necessary to perform DV. As referenced above very detailed information on the DV process can be found at: <http://www.ows.doleta.gov/dv/>

5. Statement of Work

Objectives: To conduct a nationwide assessment of the UI DV system, prepare an analysis of the status of the system, and conduct technical assistance to states, whose DV implementation and operation are incomplete, especially with respect to validation of the ETA 227 report, “Overpayment Detection and Recovery Activities,” DV Populations 12, 13, and 14 validate this report. For guiding and promoting UI integrity efforts, Populations 12 (Overpayments Established) and 13 (Overpayment Reconciliation Activities) and for budgetary purposes, Populations 1 (Weeks Claimed), 2 (Initial Claims), 3 and 3a (Non-Monetary Determinations), and 8 and 9 (Lower and Higher Authority Appeals), are particularly crucial.

ETA 227 Report information can be found at:

www.oui.doleta.gov/unemploy/docs/national.../227_Reporting.ppt
and
<http://wdr.doleta.gov/directives/attach/UIPL/uipl08-12a1.pdf>

The work accomplished by the contractor under the Data Validation Technical Assistance and Training Program project will assess IT and systemic issues which states are facing and develop technical solutions that will help states to gain a better understanding of their specific IT, technical and process issues. In its analysis, the contractor will include states that seem to have a working DV process but cannot successfully complete the validation process due to specific IT limitations or the existence of other issues such as database errors and limitations. The lessons learned will be applicable to, and shared with all states.

There will be two phases each described in detail in “Section 6. Deliverables” which include: 1) Conducting an assessment of UI DV in all states, and 2) providing technical assistance to targeted states and sharing information with all states.

ITSC will work with the selected contractor to leverage ITSC’s extensive body of work in assisting states to implement new UI benefit payment systems and tax IT modernization efforts, specifically in states that have successful DV extract files but fail DV tests due to problems in their UI benefit and tax system reporting applications. ITSC will also work with the contractor and the state consortiums involved in UI modernization efforts to ensure the proper definitions of the data items are being used. The contractor will explore and develop potential alternatives to improve DV outcomes, for review with, and subsequent approval by ITSC and OUI.

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6. Deliverables:

Phase 1:

The contractor will be responsible for developing a plan and conducting an assessment of **53 state's (50 states + DC, PR, and VI)** DV systems.

1. **Assessment Plan:** The Contractor will review documents provided by USDOL on: a) the recent status of which states have submitted DV results, which have passed, failed etc.; and (b) Corrective Action Plans submitted by states as part of the FY 2012 SQSP submission. The Contractor will then develop an appropriate plan, obtain ITSC and OUI concurrence, and conduct a system-wide assessment to determine the status of, and issues associated with, the DV program in **each state**. The contractor should plan to conduct the assessment process remotely, utilizing existing national and state documentation, telephone interviews and/or web meetings. Travel to states as part of this phase would be minimal and subject to the requirements of the plan proposed by the contractor.
2. **Assessment Report:** The Contractor will produce a draft report for comment on the results of the assessment that includes the **findings from each state** and to the extent possible an assessment of multiple-state and system-wide problems. After receiving comments provided from ITSC and OUI, the contractor will produce a final report. The report will contain detailed information on the reason for non-submission, validation failures, etc., as well as on other technical issues that states have with the validation process.
3. **Technical Assistance Plan:** Upon completion and approval the Final Assessment Report, the contractor will utilize the report, in conjunction with ITSC and OUI, to develop an approach/plan to provide appropriate TA. Based on this plan, the contractor will develop a budget for carrying out Phase 2 of this RFP. As part of the response to this proposal the contractor should describe how it would plan and carry out the activities described in Phase 2.

The contractor should provide a preliminary budget for providing TA (Phase 2) to the states including: suggested strategies to provide on-site support for up to 5 states, remote TA via webinars or other media, and other technical training material deemed appropriate. **(For purposes of pricing Phase 2, potential bidders should assume \$200,000 to \$250,000 is available).**

Phase 2:

Based on the results of Phase 1 ITSC and OUI will approve the contractor to implement Phase 2 of this project, subject to sufficient funding being available. In Phase 2 the contractor, within the scope of this contract, will carry out the results and recommendations developed and approved in Phase 1. It is expected that the contractor will work closely with OUI and the appropriate ETA

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RO DV staff to resolve problems and ensure that training and technical assistance are provided properly. Issues will be called promptly to the attention of the OUI and RO contacts.

Subject to the approved TA plan and adequate funding, it is anticipated that the contractor will include the following main tasks to bring about full implementation of DV, especially in the areas of validation of the ETA 227 report:

1. **Training:** If it is determined that states need refresher training including building extract files, using the DVWS 4.2 software and Module 3 software, testing the extract files by resolving records rejected by the software as errors and investigating sample cases, and conducting actions to correct database errors or guide the corrections of the State's reports if DV shows that existing reporting software has deficiencies, the contractor will provide it. Contractor will also propose a plan, prepare training material as necessary and ensure that States (min 10) are fully trained with respect to conducting validations, with an emphasis of Populations 12, 13, and 14. The state of Minnesota has offered DV training under a contract with USDOL. Although the contract is no longer in place, information related to the training material can be found at:

<http://www.tc.state.mn.us/classes/dvb/overview.shtml>

2. **State Technical Assistance:** The Contractor--with approval from USDOL, OUI, and ITSC--will provide assistance to the states in proper completion of the following DV tasks:
 - **Module 3 Updates:** The Contractor will ensure that the portions of Benefits Module 3 (See partial example in Appendix E) pertaining to validation of the 227 are up to date, particularly those used for Populations 12 and 13. The Contractor will inform the NO and RO of any definitional issues that arise in the state being able to update its Module 3 and work jointly with the state, NO and RO to resolve them.
 - **Building Population 12 and 13 Extract files:** The Contractor will provide assistance as needed to the state programming staff in the development of extract files that meet the requirements of Module 3 and the DV record layouts.
 - **Testing Extract Files (1):** The Contractor will assist the state in identifying why records were rejected by the software as errors and correcting the extract file appropriately. Including but not limited to:
 - 1) Conducting a review of state applications that create extract files of data elements from existing state benefit payment and tax systems;
 - 2) Documenting how these files are applied to the federally-provided Sun DV systems and software; and
 - 3) Documenting where there are gaps in the data, data definition errors, misaligned data fields, and other data comparison errors.
 - **Testing Extract Files (2):** Once all software error cases have been resolved, the Contractor will assist the state validator in reviewing sample cases and taking the

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necessary steps to correct the extract file or modify the state's management information system to ensure it contains the data needed to build a proper extract file.

- **Evaluating Reports Validation:** If the extract file passes its tests and the population passes RV, the population is done. If tests show the file to be properly constructed and free of errors but the state fails report validation, the Contractor will assist state in developing an action plan including review of the state's benefit and/or tax reporting systems to correct the reporting errors.
- **A summary** of the lessons learned, technical assistance provided and synthesized elements from individuals state actions plans will be prepared for use with other states as appropriate.

7. Place of Performance

Work for this task will be done primarily off-site. Most meetings and activities can be managed through conference calls and webinars. Periodic in-person meetings may be desirable. State visits are anticipated as described in this document and proposed by the Contractor.

8. Travel

Most Phase 1 travel will enable the in-person meetings described above to be held at ITSC or the USDOL in Washington, D.C., although a small number of State visits may be necessary. Additional state visits are anticipated for Phase 2 subject to the final plan and available resources.

9. Estimated Project Timeline

The period of performance for this project is from date of award through February 28, 2013.

10. Delivery Schedule

PWS Task	Deliverable Title	Format	Number	Calendar Days After Award
1	Phase 1: Assessment Plan	Contractor-Determined Format	Standard Distribution*	45
2	Phase 1: Assessment Report	Contractor-Determined Format	Standard Distribution*	120
3	Phase 1: Technical Assistance Plan	Contractor-Determined Format	Standard Distribution*	150
4	Phase 2: Training	Contractor-Determined Format	To Be Determined	To Be Determined
5	Phase 2: State Technical Assistance	Contractor-Determined Format	To Be Determined	To Be Determined

* Standard Distribution: 1 copy of the transmittal letter without the deliverable to the Contracting Officer; 1 copy of the transmittal letter with the deliverable to the Primary ITSC PM

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11. Proposal Structure

The following table details the required response outline and specifies the content of the response sections:

Required Response Outline		
Section Number	Section Title	Section Content
1	Executive Summary	Summarize the RFP response; (Max 3 pages)
2	RFP Response	Describe the proposed solution and project management process. (Max 20 pages)
3	Previous project references	Provide two examples of similar projects related to the SOW and contact information for each project. (Limit to 2 pages/example).
4	Terms and Conditions	Acceptance of Terms and Conditions (Attachment F)
5	Cost Estimates: Separate Estimate for Phase 1 and Phase 2	Response should include a price breakdown of the proposed solution for each Phase. Pricing should include a detailed buildup of Labor costs, Other Direct Costs, Travel, and Fees. Sufficient detail should be utilized to support the work described in the RFP.
6	Additional Information	Confidentiality requirements and other information the contractor deems appropriate

12. Project Cost

The project is a Firm Fixed Price (FFP) deliverables-based contract. The price quoted for each Phase shall be all-inclusive. ITSC will negotiate the final price for Phase 2 at the conclusion of Phase 1. Final Phase 1 Project deliverables, deliverables acceptance criteria and payment schedule will be negotiated with the selected Contractor upon project start. Note: the cost estimate should include a full buildup of costs and rates used to establish the FFP cost estimate. ITSC will reserve the right to select multiple contractors to submit best and final offers.

13. Other Pertinent Information or Special Considerations

The OUI will have final editorial control over the content of the Data Validation Technical Assistance and Training Program. All draft and final work products become the property of USDOL as soon as the project is commenced. USDOL ITSC and states may freely use all draft and completed materials. Other considerations:

- a. **Identification of Possible Follow-on Work other than Phase 2.** Not applicable
- b. **Identification of Potential Conflicts of Interest (COI).** Not applicable
- c. **Identification of Non-Disclosure Requirements.** Not applicable

14. Submission Information

Proposals must be submitted to:
Joseph Vitale, Director ITSC
Information Technology Support Center/CESER
National Association of State Workforce Agencies
25 E Street, NW
Washington, DC 20001

Electronic versions of the proposal must be received at: rfp_responses@itsc.org by **5:00 PM PST** on the due date.

15. For Additional Information or Clarification

Due to the short time frame for interested vendors to respond to this RFP, NASWA/ITSC will hold a bidders webinar and teleconference question and answer session. This will be the only opportunity for interested contractors to ask questions for clarification on the RFP. NASWA/ITSC will answer all questions to the best of its ability during this webinar/teleconference. Questions may be submitted in advance via email and will be answered during the conference call. No questions will be addressed after the close of the webinar/teleconference call. (*Webinar details will be posted at: www.itsc.org*)

Joseph Vitale, ITSC Director
Information Technology Support Center
National Association of State Workforce Agencies
25 E Street, NW
Washington, DC 20001
Joe.Vitale@itsc.org

16. Basis for Award of Contract:

The following criteria will be used to evaluate vendor proposals in the awarding of this contract:

- 1) Adherence to RFP Instructions.
- 2) Overall Quality of Proposal.
- 3) Company or organization information, including (but not limited to):
 - a) Size of company, or organization;
 - b) Length of time in business;
 - c) Experience with similar projects including examples of relevant past projects (2) and other appropriate documentation;
 - d) Experience of proposed project team (include bios of each key team member); and

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- e) Description of any sub-contractors proposed for use on this project and the vendor's past experience with them.
- 4) Solution, including (but not limited to):
 - a) Project understanding and proposed solutions;
 - b) Demonstrated ability to meet all deliverables; and
 - c) Cost Summary:
 - Itemized breakdown of all direct and indirect costs;
 - FTE's by skill set needed for the project;
 - Hourly rate and the total hours by skill set;
 - Indirect rates; and
 - Fees.
 - 5) Project Management, including (but not limited to):
 - a) Project management plan, following the ITSC annotated outline to be provided,
 - b) Project schedule showing Initiate/Plan/Execute/Monitor-Control/Close stages created using Microsoft Project, and
 - c) Project status reports that will be provided to the CESER-ITSC project manager.

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Appendix A

Benefits DV Populations Due for Validation in VY 2011 (D 2011), with Those Passing Validation in 2009 and 2010																	
Region	State	Populations															
		1	2	3	3a	4*	5	6	7	8	9	10	11	12*	13	14	
1	CT	P 2009	P 2009	F 2011	F 2011	F 2011	F 2011	P 2009	P 2009	P 2011	P 2011	P 2011	F 2011	F 2011	F 2011	F 2011	
	MA	D 2011	D 2011	D 2011	P 2009	D 2011	P 2009	P 2009	D 2011	P 2009	D 2011	P 2009	D 2011	D 2011	D 2011	D 2011	
	ME	P 2009	P 2009	F 2011	P 2011	F 2011	F 2011	P 2009	P 2009	P 2011	P 2011	P 2009	P 2009	P 2011	P 2011	P 2011	
	NH	F 2011	P 2011	F 2011	F 2011	F 2011	F 2011	P 2011	P 2011	F 2011	F 2011	P 2011	F 2011	F 2011	F 2011	F 2011	
	NJ	F 2011	P 2011	F 2011	P 2011	F 2011	F 2011	P 2011	P 2011	F 2011	P 2011	F 2011	P 2011	D 2011	D 2011	D 2011	
	NY	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	F 2011	P 2009	D 2011	D 2011	F 2011	P 2011	F 2011	P 2009	D 2011
	PR	P 2009	P 2009	F 2011	P 2009	P 2011	P 2009	P 2009	P 2010	P 2009	P 2009	P 2009	P 2010	P 2011	P 2009	P 2009	P 2009
	RI	P 2011	P 2011	P 2011	P 2011	F 2011	F 2011	P 2011	F 2011	F 2011							
	VI	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	N/A	D 2011	D 2011	N/A	D 2011	D 2011	D 2011	D 2011
VT	P 2009	P 2010	D 2011	D 2011	D 2011	D 2011	P 2009	P 2011	D 2011	P 2011	P 2011	P 2011	P 2011	F 2011	D 2011	D 2011	
2	DC	P 2010	P 2010	D 2011	P 2010	D 2011	D 2011	P 2010	N/A	P 2010	N/A	P 2010	N/A	D 2011	D 2011	D 2011	
	DE	F 2011	P 2011	F 2011	P 2009	P 2011	P 2010	P 2011	F 2011	F 2011							
	MD	F 2011	P 2009	F 2011	P 2011	F 2011	F 2011	P 2011	F 2011	F 2011	P 2009	F 2011	P 2011	P 2011	F 2011	F 2011	
	PA	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	F 2011	F 2011	P 2009	F 2011	D 2011					
	VA	P 2011	P 2011	F 2011	F 2011	F 2011	P 2009	P 2009	P 2011	F 2011	P 2009	P 2009	P 2009	F 2011	F 2011	F 2011	
	WV	P 2011	P 2011	F 2011	P 2011	F 2011	P 2011	F 2011	F 2011	F 2011							
	AL	P 2011	P 2011	D 2011	D 2011	D 2011	D 2011	P 2011	P 2011	P 2011	D 2011	P 2011	P 2011	F 2011	D 2011	F 2011	
3	FL	P 2011	P 2011	P 2010	P 2011	P 2011	P 2009	P 2011	P 2011	F 2011	P 2009	F 2011	P 2011	P 2011	P 2009	P 2009	
	GA	P 2009	P 2009	D 2011	P 2009	D 2011	D 2011	P 2009	P 2009	D 2011	D 2011	P 2009	P 2009	D 2011	D 2011	P 2009	
	KY	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	P 2009	P 2011	D 2011	D 2011	P 2009	P 2009	D 2011	D 2011	D 2011	
	MS	P 2010	P 2010	P 2010	F 2011	P 2011	F 2011	P 2009	P 2009	P 2010	P 2010	P 2009	P 2010	P 2011	F 2011	P 2010	
	NC	P 2011	P 2011	F 2011	P 2011	P 2011	P 2010	P 2011	P 2009	P 2009	P 2009	P 2009	P 2010	F 2011	F 2011	F 2011	
	SC	F 2011	P 2011	F 2011	D 2011	D 2011	D 2011	F 2011	F 2011	D 2011	D 2011	F 2011	F 2011	D 2011	D 2011	D 2011	
	TN	D 2011	P 2011	D 2011	P 2010	D 2011	P 2010	P 2011	P 2011	P 2011	D 2011	P 2011	D 2011	P 2011	P 2011	P 2010	
	AR	P 2010	P 2011	F 2011	P 2011	F 2011	P 2011	P 2011	P 2011	P 2009	P 2009	P 2011	P 2011	P 2011	F 2011	P 2011	
	4	CO	D 2011														
LA		P 2010	P 2010	F 2011	P 2010	F 2011	P 2010	P 2010	P 2010	D 2011	D 2011	D 2011	P 2010	D 2011	D 2011	D 2011	
MT		P 2009	P 2011	D 2011	D 2011	D 2011	D 2011	P 2011	P 2011	P 2010	P 2010	P 2011	P 2011	D 2011	P 2010	P 2010	
ND		P 2011	P 2009	F 2011	P 2011	F 2011	F 2011	P 2011	P 2011	P 2009	P 2011	P 2011	P 2011	F 2011	F 2011	F 2011	
NM		D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	
OK		F 2011	F 2011	F 2011	F 2011	F 2011	F 2011	F 2011	P 2011	F 2011							
SD		P 2011	P 2011	F 2011	P 2011	F 2011	F 2011	P 2011	P 2011	P 2011	P 2009	P 2011					
TX		P 2009	P 2009	P 2010	P 2010	P 2011	P 2011	P 2009	P 2009	P 2011	P 2011	P 2009	P 2010	P 2011	F 2011	P 2009	
UT		P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011	P 2011
WY		P 2009	P 2011	F 2011	F 2011	F 2011	P 2010	P 2009	P 2011	P 2009	P 2011	P 2011	P 2011	F 2011	F 2011	F 2011	F 2011
5		IA	F 2011	P 2011	F 2011	F 2011	F 2011										
		IL	F 2011	D 2011	D 2011	D 2011	F 2011	D 2011									
		IN	D 2011	P 2011	D 2011												
	KS	F 2011	P 2011	F 2011	P 2010	F 2011	P 2010	P 2010	P 2010	F 2011	P 2009	P 2011					
	MI	P 2010	F 2011	F 2011	P 2011	F 2011	P 2011	F 2011	P 2011	F 2011	F 2011						
	MN	P 2011	P 2011	D 2011	D 2011	D 2011	D 2011	P 2011	N/A	P 2011	N/A	D 2011	N/A	D 2011	D 2011	D 2011	
	MO	P 2010	P 2010	P 2010	F 2011	P 2011	F 2011	P 2009	P 2009	P 2010	P 2009	P 2009	P 2009	P 2011	P 2010	P 2010	
	NE	P 2011	P 2010	F 2011	P 2010	P 2011	F 2011	P 2010	N/A	P 2010	N/A	P 2010	N/A	P 2011	F 2011	F 2011	
	OH	F 2011	P 2010	F 2011	P 2010	D 2011	P 2010	F 2011	F 2011	F 2011	P 2011	F 2011	F 2011	F 2011	F 2011	P 2010	
	WI	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	F 2011	P 2010	P 2009
6	AK	P 2009	P 2009	P 2011	P 2010	P 2011	F 2011	P 2010	P 2010	D 2011	D 2011	D 2011	P 2010	F 2011	F 2011	F 2011	
	AZ	P 2011	P 2011	P 2011	P 2009	F 2011	F 2011	P 2011	F 2011	F 2011	P 2009						
	CA	F 2011	F 2011	F 2011	P 2009	F 2011	F 2011	P 2009	P 2009	D 2011	P 2009	P 2009	D 2011	F 2011	F 2011	F 2011	
	HI	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	D 2011	N/A	D 2011	N/A	D 2011	N/A	D 2011	D 2011	D 2011	
	ID	D 2011	P 2009	D 2011	P 2009	P 2009	D 2011										
	NV	P 2011	P 2011	F 2011	P 2010	F 2011	P 2011	P 2009	D 2011	D 2011							
	OR	D 2011	D 2011	D 2011	P 2010	D 2011	D 2011	P 2009	D 2011	P 2009	P 2009						
	WA	F 2011	P 2010	F 2011	F 2011	F 2011	F 2011	P 2011	P 2011	F 2011	F 2011	P 2011	F 2011	F 2011	F 2011	F 2011	
Key	*Populations 4 and 12 validate data used for GPRA measures and must be validated every year.																
	D 2011: Due for validation in VY 2011 because not submitted or failed validation in 2010, or last passed in 2008, or GPRA population.																
	P 2011: Passed validation in VY 2011; next validation due 2014 unless GPRA.																
	F 2011: Failed validation in VY 2011.																
	P 2010: Passed validation in VY 2010. Next validation due 2013.																
P 2009: Passed validation in VY 2009. Next validation due 2012.																	
N/A: No validation due; state has no Higher Authority appeals.																	
Notes																	
13-Jun	MI Pop 5 changed to pass based on comment about multi-claimant determination																
15-Jun	VA pops 6, 10, 11 not retrieved by reports software; VY2012 submissions.																
15-Jun	Found missed submission by VT for Pop 12 (F)																
21-Jun	MD pops 6, 11 changed to pass based on resubmission of monthly instead of quarterly validations.																

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Appendix B

SQSP Status of DV for FY 2012 by Region/State, and Summary of Items to be Addressed by DV Component							
Region	State	SQSP Status	Items to Be Addressed in CAP or Narrative Are Highlighted				
			Benefits Populations	Tax Populations	Module 4	Module 5	Module 3
1	CT	CAP	8 F	1 NS			2 NS
	MA	CAP	10 NS	2 NS	6 NS	NS	2 NS
	ME	CAP	3 F	3 NS			
	NH	Narrative	10 F	2 F	1 F		
	NJ	CAP	6 F, 3 NS				2 NS
	NY	CAP	3 F, 9 NS	1 F, 1 NS	3F		
	PR	CAP	1 F	3F	4F, 1 NS	NS	1 NS
	RI	CAP	4 F	4F	3 NS		2 NS
	VI	CAP	12 NS	5 NS	7 NS	NS	2 NS
VT	CAP	1 F, 7 NS	4 NS	5 NS	NS		
2	DC	CAP	6 NS		1 NS		2 NS
	DE	Narrative	4 F	1 F			
	MD	Narrative	9 F		2F		
	PA	CAP	3F, 11 NS	4 NS	3NS		2 NS
	VA	Narrative	7 F	3 F	3 F		
	WV	Narrative	5 F		1F		
3	AL	CAP	2 F, 6 NS	5 NS	6 NS	NS	
	FL	CAP	2 F		1 F, 1 NS		
	GA	CAP	7 NS	1 NS	3 NS		2 NS
	KY	CAP	11 NS	5 NS	7 NS	NS	2 NS
	MS	CAP	3 F	5 NS	1 NS		1 NS
	NC	Narrative	5 F				
	SC	CAP	5 F, 9 NS	3 F	1 F, 3NS		
TN	CAP	5 NS		1F		2 NS	
4	AR	CAP	3 F	3 F	2 F		1 NS
	CO	CAP	15 NS	5 NS	7 NS	NS	2 NS
	LA	CAP	2 F, 5 NS	1 F	1 F		
	MT	CAP	5 NS	2 NS	4 NS		2 NS
	ND	Narrative	6 F	2 F	2 F		
	NM	CAP	15 NS	5 NS	2 F	NS	2 NS
	OK	CAP	14 F	3 NS	3 NS		
	SD	Narrative	3 F	2 F			
	TX	Narrative	1 F		1 F		
	UT	Narrative			4 F		
WY	CAP	6 F	1 F	1 F	NS	1 NS	
5	IA	CAP	9 F	5 NS			
	IL	CAP	2F, 13 NS	2 F	5 F		1 NS
	IN	CAP	14 NS	5 NS	2F, 3 NS	NS	
	KS	Narrative	8 F	4 F	2 F		
	MI	Narrative	7 F	2 F			1 NC
	MN	CAP	8 NS	5 NS	7 NS	NS	1 NC, 1 NS
	MO	CAP	2 F		3 NS		
	NE	Narrative	4 F	1 F	1 F		
OH	CAP	9 F, 1 NS	3 F	4 F			
WI	CAP	1 F, 12 NS		1 NS			
6	AK	CAP	4 F, 3 NS		2 F, 3 NS		
	AZ	Narrative	4 F	2 F			
	CA	CAP	8 F, 2 NS	5 NS	1 F, 3 NS	NS	1 NS
	HI	CAP	12 NS	5 NS	7 NS	NS	
	ID	CAP	13 NS	5 NS	7 NS	NS	2 NS
	NV	CAP	2 F, 3 NS	5 NS	4 NS	NS	1 NS
	OR	CAP	11 NS		3 NS		1 NS
WA	Narrative	11 F	3 F	1 F			
Key:	CAP: At least one item not submitted (NS).						
	Narrative: all items submitted; at least one failed or not certified (NC).						
	NS = Not Submitted						
	NC = Mod 3 certification submitted, but Mod 3 not all up to date.						
F = Failed validation submitted							

Appendix C

Quick Guide to DV Materials		
Item	Where to find it	Getting There
DV Software Application	State Sun Menu	Sun System Admin
• Record Layouts	Selection Criteria	Click <u>Population</u> link
DV Reports Software	State Sun Menu	Sun System Admin
DV Module 3 Software	State Sun Menu	Sun System Admin/N.O. Account
Module 3 Software Tutorial	DV Web page	http://ows.doleta.gov/dv/
Mod 3 Account Instructions	DV Web page	http://ows.doleta.gov/dv/
DV Handbooks	DV Web page	http://ows.doleta.gov/dv/
• Basic Flow		
• Building extract files		
• Modules 1, 2, 4, 5		
• Independent Count		
• Appendix A tables		
DV Operations Guide	DV Web page	http://ows.doleta.gov/dv/
• DV Software Tutorial		
• Record Layouts		
• Duplicate Detection		
DV Web page (misc. items)	DV Web page	http://ows.doleta.gov/dv/
• News, updates	DV Web page	http://ows.doleta.gov/dv/
• DV Status & Due	DV Web page	http://ows.doleta.gov/dv/
• DV advisories	DV Web page	http://ows.doleta.gov/dv/
• Record Layouts	DV Web page	http://ows.doleta.gov/dv/
• Appx. A tables (Tax)	DV Web page	http://ows.doleta.gov/dv/
• Duplicate Detection	DV Web page	http://ows.doleta.gov/dv/
• Supplementary Guidance	DV Web page	http://ows.doleta.gov/dv/
• Mod 4 guides	DV Web page	http://ows.doleta.gov/dv/
• Mod 5 guidance	DV Web page	http://ows.doleta.gov/dv/
• Handbook 401	DV Web page	http://ows.doleta.gov/dv/
• DVWS Release Notes	DV Web page	http://ows.doleta.gov/dv/
• Module 3 Guidance	DV Web page	http://ows.doleta.gov/dv/
• Reports Software	DV Web page	http://ows.doleta.gov/dv/
• Contacts	DV Web page	http://ows.doleta.gov/dv/

Appendix D

Data Validation: A Brief Guide for the New Validator

(With Perhaps Some Ideas for the Experienced Validator)

If you've heard of Unemployment Insurance Data Validation, it was undoubtedly about one of those activities shrouded in mystery, a "black box" within the "black box" that is UI within the black box that is UI reporting. This is a modest attempt to lift the veil of mystery that shrouds DV, to give the state validator a layman's peek at the works inside the box and DV's importance in helping ensure accurate UI data.

The Concept, Structure and Development of Data Validation

Why Validate UI Data? The basic rationale for DV is pretty straightforward. Each state submits over 40 reports to the Department of Labor at intervals ranging from every week to every year. They encompass close to 3,000 different elements. Most of the reported data elements are simple counts, such as, State A reported taking 15,500 new intrastate initial claims last month. *It's not obvious from the number itself whether the true count is really 15,500 or not.* If important decisions ride on that number, it's crucial that State A really is taking the number of claims it reports. The same is true of the other states. Many of these reported elements *are* used for important purposes related to governmental or Departmental oversight, such as measuring performance, or setting and allocating the administrative budget, or as economic indicators. The Department knows it needs to be able to trust the numbers, and it's not alone. State administrators, and all other users need to be able to trust what states report about their activities. With this fact in mind, the Department's Office of Inspector General and the Government Accountability Office insist that it be able to establish the validity of the key numbers it uses. How can this be done? How can we know whether that 15,500 count is right?

DV has a solution: build a separate record for each claim the agency took in the month; add them up; and compare that total with what was reported. If those records are built correctly, the independently "reconstructed" count will be the right one, and can be used to judge the correctness of the reported count.

How Records are Built: Every correctly-reported transaction has certain defining characteristics. DV's premise is to identify each characteristic and structure a record that contains a data field for each one, allowing someone to tell whether the record is properly classified by examining its characteristics. Have the agency gather that information for each type of record to be validated. For example, build a record so that someone can tell whether it has all the proper characteristics of a "new," "intrastate" "initial" claim, or instead is something else, such as an additional claim or a transitional claim that needs to be reported somewhere else on the same report or on another report. The sum of the records with all the right characteristics for "new intrastate initial claims"--the reconstructed count (or in DV terms the "validation count") is what the state should have reported on the ETA 5159 report. That validation count represents the standard against which the actual reported count of 15,500 can be judged. Those

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records serve as an “audit trail” and each one can be examined to ensure that the characteristics of the record correspond to appropriate agency documentation.

The Concept of a Population: When DV was designed, eleven benefits reports and the one tax report were selected for validation because they contain the information most relied upon for UI oversight, program administration and performance management. Within those reports, 334 key report elements or report cells were identified as key items to validate. Examined by the type of transaction or status they represented, however, each of the 334 key elements was one of only 20 mutually-exclusive, non-overlapping types. DV called each of these types a “Population.” Table 1 below shows the relationships between Populations, reports and report elements validated.

DV approaches the validation of reported counts from the standpoint of the Population to which the reported count belongs, to take advantage of the 20-to-334 efficiency. The DV Population approach allows the validator to concentrate on one type of transaction at a time, and focus on a limited number of classifying data elements to make sure each record is properly built using those elements. On the other hand, most UI reports tend to be combinations of different types of transactions or status counts. As a result, UI validated reports and populations don’t usually line up one-to-one, as Table 1 shows. For example, both the Benefits ETA 5159 (Claims and Payment Activities) and the Tax ETA 581 report (Contribution Operations) have five different types of key validated elements. Thus, building Benefits Population 1 (Weeks Claimed) validates only part of the ETA 5159. Validating all key elements on that report requires the construction of five Populations.

In designing each Population, every report element that the population would validate was carefully examined to identify the essential characteristics it must have to be properly reported. For example, Table 1 shows that nine of the cells on the 5159 report that we want to validate are counts of Weeks Claimed, and thus belong in Population 1. In the design phase of DV we made sure that the data “record” includes a data field for each characteristic needed to properly classify each of those nine report counts to be validated. Table 1 shows the number of data fields each population record requires. To validate the 334 key report counts, DV requires the states to build records that may contain as few as five data element fields (Higher Authority Appeals Case Aging) to as many as 20 (Field Audits).

The Subpopulation: Based on the values in the record’s data fields, the software sorts the records within each population into unique subgroups called “subpopulations”-- 393 for DV as a whole. The subpopulations are the components or building blocks for the reconstructed “validation counts” that tell what the 334 reported counts *should be*. The relationship between the subpopulations and the validation counts varies. In some cases, the validation count for a report cell requires only one subpopulation; in others, several subpopulations must be aggregated to make up the validation count for a single cell. In many cases, a subpopulation is a component of validation counts of multiple report cells on more than one report. With fairly minor expansion, this DV scheme could be modified to expand the number of validated reported cells to over 1,270 by validating individual time lapse counts. (DV concentrates on validating the totals; examination of state reporting systems shows that if totals are reported correctly, time

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lapse reporting is rarely wrong.) With the elimination of the 9053 report in 2007, DV now validates 320 report cells on 11 required reports.

Table 1 Capsule Overview of the Scope of UI Data Validation					
Population		State Database Elements in Extract Record	Number of Subpops	What's Validated	
Number	Type of Transaction/Status			Number of Rpt Cells	On These ETA Reports
BENEFITS					
1	Weeks Claimed	9	9	9	5159
2	Final Payments	10	4	13	5159, 218
3	Initial Claims & Monetary Determinations	12	46	39	5159, 218, 586
3a	Additional Claims	10	6	6	5159
4	Payments	16	51	48	5159, 9050, 9051, 586
5	Nonmonetary Determinations	12	70	64	207, 9052, 9053
6	Appeals Filed, Lower	6	2	2	5130
7	Appeals Filed, Higher	6	2	2	5130
8	Appeals Decided, Lower	14	55	19	5130, 9054L
9	Appeals Decided, Higher	13	23	12	5130, 9054H
10	Appeals Case Aging, Lower	6	7	2	9055L
11	Appeals Case Aging, Higher	5	6	2	9055H
12	Overpayments Established	9	16	30	227
13	Overpayments Reconciliation	8	34	34	227
14	Age of Overpayments	9	16	16	227
Totals		145	347	298	11 Reports
TAX					
1	Active Employers	16	2	2	581
2	Report Filing	10	16	6	581
3	Status Determinations	13	8	7	581
4	Accounts Receivable	13	16	10	581
5	Field Audits	20	4	11	581
Totals		72	46	36	1 Report

Within each population, the logical flow is like this:

Population → Individual Records
 Individual Records → Subpopulations → Validation Counts

Once the validation counts are assembled, the reported counts are compared with them in the “**Report Validation**” phase, as follows:

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Validation Counts ↔ Reported Counts

The DV software retrieves the reported counts from the UI Database to save validators the effort—and risk of inaccuracy—of data entry. If the reported counts are within the selected tolerance limits of the validation counts, the reported count is considered to be valid. These tolerance limits are $\pm 2\%$, except for reported counts used in Government Performance and Results Act indicators; their tolerance is $\pm 1\%$.

Without testing to determine that the validation counts are sums of the right things, the report validation phase would be just a comparison of two counts, both of which could be wrong. That testing phase of DV is called “**Data Element Validation**” or DEV.

To keep the process as efficient as possible, DEV largely involves the examination of samples from each population. The software allows a user to select samples of records so that key features of each record can be examined to make sure the record is built properly and thus that the software is using correct values when it puts the record into a subpopulation. DV includes a series of procedures enabling a validator to make sure that the records are built properly and contain data that allow the record to be classified according to Federal reporting definitions. Once those records are tested and verified to be built properly and conform to Federal reporting definitions, their sums are taken as the standard against which reported counts are measured.

The Process View of DV

The DV journey begins with a tour book and a map. The tour book is the Generic DV Handbook. There’s one for Benefits and another one for Tax because they’re like somewhat different countries. Take the tour. You’ll undoubtedly find the Handbook intimidating on a first view. There’s no denying it: DV is a complex process, and the handbook cannot help but reflect that complexity. However, as with any complex system, the key is to get an overview of the basic flow of the process, and then to break it down into its component sub-systems and understand the reasoning behind them. That’s the purpose of this brief guide.

The Handbooks both tell you that the first state product in validating a population is the development of the “extract file.” That’s DV’s term for the set of those records mentioned above for every individual transaction you want the software to count up. It’s produced by pulling out or extracting the necessary data from the state’s UI database or management information system.

The first step in building an extract file is to use the Record Layout, which tells which data elements the extracted record must contain. Record Layouts are in Appendix H in the Benefits Handbook and Appendix F in the Tax Handbook (they’re also available on the DV Web site at www.ows.doleta.gov/dv, and off the Population link on the first validation screen of the DV software.) When you look at the Benefits Record Layouts in Appendix H shows you will see that for each Population the number of data elements is two greater than what Table 1 indicates. That’s because these two elements are not extracted data elements: one is an observation number, created by the programmer when he or she builds the file; the other is a “user field” you fill, or leave blank, as you see fit. A closer look reveals that a few elements can actually be filled

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by the DV software. So, in rough terms, to build the 15 Benefits populations, about 140 elements must be extracted. Fifteen of this number is one element that appears 15 times: the Social Security Number, which every benefits record contains. Every Tax population record includes the Employer Account Number (EAN). Many of the elements repeat on each population such as Program Type and Intrastate or Interstate for Benefits, and Employer Type for Tax.

You might reasonably ask yourself, how do I come up with 140 data elements such as “Type of UI program” and Date Week Claimed, and WBA, such as you see in the Population 1 (Weeks Claimed) layout? The good news is there’s a *map*. It’s called Module 3. Module 3 gives the definitions for each of those 140 elements, and when completed tells where to find them in your state management information system or database. Actually, it may be a combination of a *map* and the *template* for a map. We say “template” because part of the validation task may be to find the missing or current element in your state system that corresponds to the rules and definitions in Module 3. About ten years ago, contractor staff met with every state’s programmers and program specialists and actually identified each one of those items—if the state system had it, that is--and completed the first Module 3 mapping for each state. By the time they left town, your individual Module 3 map was as complete as it could be at that time: what that element was called in your state database and on what screens in your system you could find it. By now many things have probably changed.

Updating Module 3

Thus, *ensuring that Module 3 is up to date is the next step in undertaking DV*. So, contact the DV team at the National office and get them to e-mail their latest available Module 3 for your state. The DV team maintains the module 3’s for every state as a database application so that specific changes can be made readily. From that database you can request a Module 3 copy for your state in .PDF or rich text (editable) format, or both. Updating a Module 3 is an opportunity for cross-program bonding, because it *requires a team effort*: database specialists, program specialists, programmers and other colleagues may be required to get it right. We hear that this often brings together many folks whose paths rarely, if ever, cross. Together you must begin working through it, element by element. Pick their brains and mine their institutional knowledge to update the data names, business rules, and locations of data elements. Send the updated, marked-up version back to DOL and they’ll enter the information into their Module 3 database, and send you a fresh new .PDF version. That’s the map.

Creating Extract Files

The next step on your journey is selecting the first destination. In terms of *importance*, Populations 4 (Payments) and 12 (Overpayments Established) of Benefits and Population 3 of Tax (Status Determinations) are highest because those validate the elements used for Government Employment and Results Act (GPRA) indicators. However, they are not the easiest ones to get right and so another population may be a better starting place. Let’s say you choose Population 1, Weeks Claimed. We validate the counts of Weeks Claimed reported on the monthly 5159 report; the handbook says you’ll need a month’s worth of transactions. With Module 3 in one hand and a Population 1 record layout statement in the other, head over to your

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IT shop to find a programmer. With any luck, it will be one of the programmers involved in revising your Module 3, and who's already familiar with it. Explain that you want to validate Population 1 (weeks claimed), for the month of June 2008. He or she is to build you a file of every week claimed transaction with Date Week Claimed between June 1 and June 30, 2007. Each record in that file will contain 11 elements. Nine must come from your state database, and eight of those elements must be filled--not blank--in every record (the layout says "required" and "not null"); the others are optional. The record layout gives the programmer the key information either in the table or in the header. Make sure he reads it all, including the part about the *secondary codes*—the part about the "dash and the state-specific value." The layout gives the Module 3 reference, telling him where to find each of those elements for the extract file.

The record layouts and Module 3 give the basic guidance for the programming phase. However, most programmers will also the guidance of knowing what the DV software will be doing with the records. That is explained in Appendix A of the generic handbook. Appendix A defines every subpopulation into which the software will put records based on the values contained in the record's data elements. (Appendix A is essential for diagnosing why the software refuses to accept certain records. See below.) Some populations also have nuances that are explained in Appendix A notes.

A couple weeks later the programmer sends you an e-mail with a humongous text file attachment. Here's your Population 1 file, Mr. Validator. Out of curiosity, you open it in Notepad. It contains 240,000 records, big strings of numbers, letters, and partial words separated by commas. It's the next best thing to gibberish. How to start making sense of it?

The most straightforward way is to use the DV software on your state Sun computer. If you don't have access to the DV software, contact your Sun system administrator or liaison to get access. Remember the name: you and he or she may have more than one contact during the DV process. Read the DV Software User's Guide, available for download from the DV Web page. The User's Guide will assume that you have given the file a name and asked the administrator to put it into the */opt/dv/data* directory on the Sun machine--that's where DV files must reside--and that you have gone through the process your state has established to get access to the Sun computer and from there to connect to the DV software. You will get a User Name and a password. The User's Guide will step you through the process of logging in with your login name and password and how to load the file. If the file is built according to the specifications, you'll see a rolling count of the number of rows loaded and errors as the load proceeds. Your file will probably take about 10 minutes to load.

The file might not load. In that case, you'll be on the phone or e-mail within minutes to ask your programmer why the file did not load. He can probably help interpret the message that you got with the load failure. If not, contact the National Office *Hotline* at **1-800-473-0188** or the DV team by e-mail at dvrpts@uis.doleta.gov. They might ask for a sample of your records to help diagnose the problem.

Assuming the file does load smoothly, or that you've worked out any glitches that kept it from loading, now you have the file in a place where it's manageable. Although you aren't ready to take the results seriously, you'll first want to see the comparison between the validation counts

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(the software's independently reconstructed version of report counts, based on your extract file) and the actual reported counts—a sneak preview of **Report Validation**. That will tell you whether or not you're in the right ballpark with the Population 1 file you've had built.

Your other main interest at this point is trying to determine whether the extract file seems to be built properly. You might want first to look at the number and type of errors. The software will reject transactions as errors for three main reasons.

1. The first are *syntax errors*—some dates may not be formatted correctly, or there are misspellings in key field values, or crazy characters have crept into some of the fields. Error messages will point out syntax errors to you. In some instances, serious syntax errors can cause a population not to load, although the most common reason for a file not loading is that it does not contain the right number of data elements or “data fields.”
2. The second are *assignment or “parsing” errors*. The software assigns transactions to its various subpopulations on the basis of the relationships among the elements in a record. These relationships are spelled out in great detail in Appendix A of the handbook, and identified in lesser detail on the “View Validation Counts” screen in the software. If those elements are not in the expected relationship—key data are missing; dates are out of range; the relationship among elements is out of synch with the requirements—the record is rejected with a message saying it doesn't fulfill subpopulation criteria. That's often the hardest error message to interpret because it covers so many conditions.
3. Finally, there are *duplicate records*. These have no syntax errors and they fit a subpopulation; unfortunately, they have identical twins or triplets. Appendix H of your Benefits Handbook gives the criteria the software uses to determine duplicates. You have to examine duplicates and keep the one legitimate record, then rebuild the file without the “true” duplicates.

Examining the error file is an indispensable tool for identifying problems in an extract file, finding key variables that might be missing or mis-specified items.

HINT: The software isn't your only tool for examining and assessing your files. A close second is a spreadsheet; you probably have Microsoft Excel. Say you're waiting for DV software access or are in the midst of conversations with programmers, help desks and hotlines. You can always look at part of the file yourself in Excel. Open the file in Notepad and highlight a reasonable sampling of records, say, 1,000. (Excel will accommodate up to 65,000 records, unfortunately not your whole 240,000. If you happen to have Quattro Pro, on the other hand, you can handle up to 1 million records). Copy and then paste the records into a fresh Excel worksheet. Use the *Data/Text to Columns* feature to “parse” the records into columns. Follow the prompts to parse a delimited file (i.e., one in which the data are separated by characters such as tabs or commas; DV files use commas) into the worksheet. Now, instead of the maze of numbers, letters and commas, all the data in the file are neatly arranged into columns so you can make some sense of them. You can insert a row at the top and use it to put the names for the elements. Take a look at the rows. Does everything follow the record layout? Excel allows you to sort by any column you want. Take a look at the dates: are

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all the dates in Field 7, Date Week Claimed, in the range you want? If something's amiss, work with the programmer to straighten it out.

In our example of examining the errors, you can always select your errors from the software screen, copy and paste into Excel. They go in very neatly and there you can easily sort, or add comments, or do whatever you want. One big advantage of Excel is its flexibility in printing. Many browsers won't allow you to print your entire error (or subpopulation or "Source File") record, even in Landscape. The solution: Excel. Its print-to-fit capability is a godsend. If you're not familiar with Excel, take some training or have someone teach you. It's an essential tool in the validator's toolbox.

So, now let's assume that you've examined the file carefully using the software and your spreadsheet, and with the help of your programmer, you've made all the corrections you can think of. You've corrected or eliminated records that have syntax errors. You've isolated the duplicate records identified by the software, and removed the ones that appear to be true duplicates and reloaded the legitimate record of the pair or multiple. The validation counts from the software are reasonably close to your reported counts and your programmer is confident that no transactions have been overlooked in building the file you're using. What's next?

Data Element Validation (DEV)

Data Element Validation involves digging deeper, testing and attesting that the file is really built properly so that you know whether you can say with some confidence that the counts from the file are based on records that meet Federal reporting definitions. The DV methodology has formal methods for testing and attesting to the fact that an extract file is properly built. This is accomplished by reviewing a sample of records from each population. The term "attest" is used advisedly here, because the sample tests show *yourself and others* that your files are built properly, using data elements that conform to Federal reporting definitions. If they do, counts that the software produces from this file are the true standard against which to measure your reported counts. If not, more work lies ahead in building a file that contains all legitimately countable transactions.

DEV, especially for Benefits DV, is probably your most labor-intensive step as a validator, whereas building and refining the extract file will involve mostly programmer time. You do this by going back to original sources and—guided by Module 3—confirming that elements in the record come from the correct places and that those "places" are consistent with Federal report intentions. Although the Benefits and Tax methodologies do this somewhat differently, the purpose is the same: *to assure yourself and the Federal government that the extract file is clean and thus that totals computed from it can be trusted as the standard for judging whether reported counts are correct or not.*

Benefits DEV

- Benefits DV relies on a series of samples, called "Random", "Missing subpopulation," "Minimum" and "outlier." Their purpose is to examine the most significant elements used to build the extract file to ensure that the elements are properly selected from your

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MIS system or database. Some of the random samples are as large as 200 cases, although they are investigated in two stages so that if the records are very good or very bad you will know after reviewing only 60 cases. The feds only require you to submit results of the random samples as your attestation; the other samples are for your own information, to give you insights into other parts of your population file that may have errors. You need to do them all, submitting random results and completing and saving the others—all as the means of checking to ensure that your extract file is built properly. *An RV result for a population is not considered valid until all that population's random samples have passed.* Starting in VY 2009, the RV and samples must come from the same extract file. When version 2.0 of the DV is released—it's scheduled for Fall 2008—the DV software will enforce the requirement that both RV and random samples come from the same file.

- Tax DV has some differences from Benefits. The principle of allowing only a tested and proven extract file for the derivation of RV results—i.e., requiring that both DEV and RV results must come from the same extract file—was first established with Tax validation. In the DEV phase, Tax validation tests extract files for quality differently than Benefits:
 - Whereas most benefits populations use large random samples, Tax DEV uses very small samples (called File Integrity or “FIV” samples of only two records per subpopulation) to test whether the data elements come from the correct locations in the database.
 - Tax DEV supplements FIV samples with a series of “range” tests to determine whether Federal primary codes used to build an extract file—such as “N” for New Status determination, or “S” for successor, etc.--are consistent with your own state's codes. (If you have them, that is; not all States do.) But many states have numerous identifying codes, or use ranges of Employer Account Numbers to identify “Contributory” or “Reimbursing” employers. DV uses queries and distributions to help you assess the integrity of your file by telling you whether the Federal codes are supported by all your state codes.

To pass a tax population, you must first pass all the diagnostics that tell you the file is built properly and then you must pass the RV results for *that same extract file*. Pass or fail, the software requires that all diagnostics be done before any results can even be submitted. With tax, it's all a “package deal.” When version 2.0 of the software is released, the Benefits software will follow the Tax model.

But we digress. Back to Benefits Population 1. You've built your file, you've done your DEV diagnostics work and entered all the data into the software. If all your random samples pass, all your smaller “non-random” samples are clean, and your RV results are within $\pm 2\%$ of your validation counts, you're done. You have passed validation for Population 1. Submit it by the May 10 due date and you don't have to validate it again for three years (submit it late and you'll have to repeat the exercise the following year). You have demonstrated in a reasonable way that what your state reports is accurate. But what do you do if things *don't* match? How can you tell whether a discrepancy lies with your validation efforts, or your reporting...or both?

Addressing Report Validation Discrepancies

No question about it, this is where the task can get tricky. Your objective as a validator is not to get that “pass” trophy for your office wall for its own sake but to ensure that your state reports

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correctly. To do this, you have to be able to identify the reason for a discrepancy between validation counts and reported counts, and make recommendations for correcting reported counts if that is the problem. To make such a recommendation, you have to be able to demonstrate that the reporting system *is* the problem. To do so will require much thought and consultation with your colleagues, especially the folks who designed the reporting system (if they are still with the agency, that is; they may have departed years ago!) and your extract file programmer. But the following decision table may help guide your collective thinking.

Table 2			
Drawing Inferences from Different Random Sample and RV Results			
Random Sample		Report Validation Computation	
Result	Inference	Result	Inference
Pass	Extract file built properly; database probably OK; but universe of transactions may be too small	Pass	Report Counts OK; or both report counts and extract file omit some transactions
		Fail; reported counts < validation counts.	Definite problem with reported counts
		Fail; reported counts > validation counts.	Report counts probably in error but extract may omit some transactions
Fail	Extract file bad, or Database bad, or Both are bad	Pass	Cannot conclude that report counts are valid
		Fail	Report counts may be OK if sample failure indicates extract file incorrectly built

- Case 1: Both random samples and RV are “pass.” You can reasonably conclude that your reported counts are correct, although there is an outside chance that both validation and reported results are understated. The inherent weakness of the DV methodology is that you may miss some transactions when you build your extract file, and if they’re not in the file, you can’t count them or assess them. The chance is probably small, but it is something you need to be aware of.
- Case 2. Random samples pass but RV fails—reported counts are not within 2% of validation counts. You would conclude that your extract file and database probably both accord with Federal reporting definitions, and that you probably have a reporting problem to fix. However, your certitude may vary:
 - If your reported counts are *less* than your validation counts, you certainly have a problem with the way your reported counts are generated.
 - Remember, if there is a problem with a “clean” extract file it is that it fails to include transactions.
 - If your reported counts are *more* than validation counts, you probably have a problem with the way your reported counts are generated, but you are less certain because there is always the outside chance that your programmer failed to include some transactions.

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- Before you conclude that your report-generating software is wrong, consult with your programmer to make sure that your extract file includes all transactions. Examine your error file; make sure that transactions the software rejected were rejected correctly and were not rejected because of minor issues with otherwise countable transactions.
- Case 3. Random Sample(s) fail. If your random sample(s) fail, you can't really draw any conclusions about your reported counts because you have no assurance that your standard—the extract file counts—is reliable. You'll have to determine whether the problem lies with your extract file—it's not picking up the correct data from the database—or with your database, or both.
- Case 4. Mixed Random Sample Results. Because some populations have multiple random samples, you could end up with a mixed case—some samples passing, others failing. In most populations, the pass-fail groups line up with random samples, so you can draw conclusions about the report cells validated by those groups with passing random samples, and concentrate your efforts on fixing the portions of the extract file, or portions of the database, where random samples do not pass. All random samples, and all RV groups, must pass before a population can pass, but you can segment your work within many populations.

Light at the End of the Tunnel

At some point you will conclude that you're at a stopping point. We all fondly wish you be at a "Case 1" situation in which your DEV random sample(s) and population RV pass. However, that may not be the case: you may conclude that your reporting software is faulty and you use your DV results to provide guidance to the report shop. Or, you may have done all you can with your long-suffering programmer to build your extract file and find that your database has deficiencies, and you've indicated those deficiencies to the appropriate office and asked them to put changes into the queue. In any case, hit the "Transmit" button to send in the DEV random sample if you haven't already done so, and transmit the RV results, so that your friends in the National Office know the status of your efforts. If you've passed everything you're good for three years, unless it's one of those GPRA populations that must be done every year. In either case, win, lose, or draw, congratulations! You've done it. On to the next population. That wasn't so bad, now, was it?

Wrapping Up

Oh, if you have passed, just make sure you've done everything you need to wrap up and document your effort. Draw and examine the "nonrandom" samples; we trust they will confirm that everything is OK; if not, you'll have to look into what caused the problems they find. Make copies of your results—save screen shots of what you're sending in to the National Office via the software, save documentation of sample results, archive the extract file on which those passing results are based—and tuck them away where you can find them for ready retrieval in case of a regional Office review or some kind of audit. Now it really is on to the next one!

Appendix E

Partial Example—DV Module 3

Instructions: Select "Pass" on the sample validation screen for the element if all of the following conditions are met. Otherwise, select "Fail."

Document: 1. **BENEFIT PAYMENT HISTORY (07)**

Rule: The SSN matches the SSN of the week claimed on the worksheet.

Function: This rule ensures that the validator has correctly identified the weeks claimed to be validated on the supporting documentation by matching on the SSN.

Document: 2. **BENEFIT PAYMENT HISTORY (07)**

Rule: The selected BWE date matches the BWE date of the week claimed on the worksheet.

Function: This rule ensures that the validator has correctly identified the weeks claimed to be validated on the supporting documentation by matching on the week-ending date of the week being claimed.

Comments:

Definitional

Issues:

Definitions: NOT APPLICABLE

MONETARY DETERMINATION (06)

Rule : The SSN matches the SSN of the claim on the worksheet.

Function : This rule ensures that the validator has correctly identified the new claim or benefit year established to be validated on the supporting documentation by matching on the SSN.

Comments:

Definitional

Issues:

Definitions: NOT APPLICABLE

BENEFIT PAYMENT HISTORY (07)

ADJUSTMENT HISTORY (08)

Rule: The SSN matches the SSN of the payment or adjustment on the worksheet.

Function: This rule ensures that the validator has correctly identified the payment to be validated on the supporting documentation by matching on the SSN.

Document: 2. **BENEFIT PAYMENT HISTORY (07)**

ADJUSTMENT HISTORY (08)

Rule: The CHECK NUMBER of the payment or adjustment matches the CHECK NUMBER of the payment or adjustment on the worksheet.

Function: This rule ensures that the validator has correctly identified the payment to be validated on the supporting documentation by matching on the check number.

Comments:

Definitional

Issues:

Definitions: NOT APPLICABLE



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For Appendix F

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Appendix F

General Terms and Conditions

1. Definitions

A. *Agreement* shall mean the Master Agreement entered into between Contractor and CESER, including the Scope of Work, these General Terms and Conditions, and any other attachments and exhibits.

B. *Services* shall mean those services Contractor is to provide pursuant to the Agreement, including any Scope of Work.

C. *Work* shall mean all work, deliverables, documents, data, goods, and other materials produced, developed, collected, or authored by Contractor pursuant to the Agreement.

D. *Concerned Funding Agency* means any third party entity providing funding, in whole or in part, related to the Agreement.

2. Relationship

The Contractor is an independent contractor, and the relationship between CESER and the Contractor shall be solely contractual and not in the nature of a partnership, joint venture, or general agency. Neither party may speak nor act on behalf of the other, nor legally commit the other.

3. Arbitration and applicable law

Any controversy or claim arising out of or relating to this Contract or breach thereof shall be settled by arbitration to be held in the District of Columbia. Judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof. This Contract will be governed by the laws of the District of Columbia.

4. Assignment and Subcontracting

This Contract or any interest hereunder shall not be assigned or transferred by the Contractor without prior written consent of CESER and is subject to such terms and conditions that CESER may impose.



5. Financial Record Keeping and Inspection

The Contractor warrants that it shall, during the term of the Agreement and for a period of three (3) years following the termination or expiration of the Agreement, maintain accurate and complete financial records, including accounts, books, and other records related to charges, costs, disbursements, and expenses, in accordance with generally accepted accounting principles and practices, consistently applied.

CESER, directly or through its authorized agents, auditors or other independent accounting firm, at its own expense, and the Concerned Funding Agency directly or through its duly authorized representatives, shall have the right, from time to time, upon at least ten (10) days notice, to audit, inspect, and copy the Contractor's records. The Contractor shall fully cooperate, including by making available such of its personnel, records and facilities as are reasonably requested by CESER or the Concerned Funding Agency. This Section shall remain in force during the term of the Agreement and for the three (3) years following the termination or expiration of the Agreement. If an audit, litigation, or other action involving the records is started before the end of the three (3) year period, Contractor agrees to maintain the records until the end of the three (3) year period or until the audit, litigation, or other action is completed, whichever is later.

6. Audit

The Contractor, at its own expense, shall meet the applicable audit requirements of OMB Circular A-133 if the Contractor has more than \$500,000 in expenditures in a year in awards (including contracts, grants, cooperative agreements, etc.) made by a federal agency. The Contractor must submit a copy of its A-133 audit report, prepared by an independent certified public accounting firm, to the attention of Chief Financial Officer, Center for Employment Security Education and Research, 444 North Capitol Street, N.W., Suite 142, Washington, D.C. 20001 within 30 days of its receipt of the audit report. In instances where non-compliance with federal laws and regulations has been noted in the Contractor's audit report, the Contractor must outline in writing its plan for corrective action and must affirmatively respond to CESER when its corrective action plan has been successfully completed.

Contractor shall keep audit reports, including reports of any of its sub-subcontractors, on file for three (3) years from their issuance. Contractor shall permit independent auditors to have access to the records and financial statements as necessary for CESER and Contractor to comply with OMB Circular A-133.

Contractor agrees that in the event that Contractor's audit report indicates instances of noncompliance with federal laws and regulations, including but not limited to OMB Circular A-133, that Contractor covenants and agrees to take any and all corrective actions necessary or required or as directed by CESER.



Contractor agrees to provide audits annually.

In the event that audits are not received, CESER may, in its discretion,

- a) withhold a percentage of the sums due and owing hereunder until the audit is completed satisfactorily;
- b) withhold or disallow overhead charges; or
- c) suspend this Contract until the audit is completed and all required reports are provided.

The Contractor shall hold harmless, indemnify and defend CESER and the Concerned Funding Agency or agencies, their consultants and each of their officers, partners, agents and employees from any and all liability, claims, losses, (including but not limited to the loss or threatened loss of tax exempt status), costs, fees, expenses, penalties, damages and/or obligations including but not limited to the costs of defense of such claims, attorney's and audit fees arising out of the failure to provide such audit reports. The Contractor shall include the provisions of this Section 15 in any subcontract executed in connection with this Project.

7. Allowable Costs

Allowable costs shall be determined in accordance with applicable Office of Management and Budget Circulars A-21, A-87, A-102, A-110, A-122, and A-133 as well as by the terms of the agreement between CESER and the Concerned Funding Agency, and any rules of, or guidelines issued by, the Concerned Funding Agency. The Contractor is responsible for reimbursing CESER in a timely and prompt manner for any payment made under this subcontract which is subsequently determined to be unallowable by CESER, the Concerned Funding Agency, or other appropriate Federal or State officials.

8. Right to Disseminate

Unless otherwise expressly set forth to the contrary in the Contract, CESER shall have the right to use and have used, for any purpose, unpatented information concerning the services performed by the Contractor which the Contractor may disclose to CESER during performance of this Contract if such information is furnished without restrictions on its use.



9. Remedies

The Contractor acknowledges that monetary damages alone will not adequately compensate CESER in the event of a breach by the Contractor of the restrictions imposed and therefore the Contractor hereby agrees that in addition to all remedies available to CESER at law or in equity, including, if applicable, under the District of Columbia Trade Secrets Act, or corresponding applicable State law, CESER shall be entitled to interim restraints and permanent injunctive relief for enforcement thereof, and to an accounting and payment over of all receipts realized by the Contractor as a result of such breach.

10. Ownership Rights

The services provided by the Contractor pursuant to the Agreement shall be “work for hire” and therefore all Work shall be sole and exclusive property of CESER. To the extent that the Services, or any part of them, may not constitute work for hire under the law, Contractor hereby transfers to CESER all right, title, and interest in and to the Work. Without limiting the foregoing, CESER shall have access to the Work at any time during the term of the Agreement.

11. Personnel

Any personnel identified in the Agreement as individuals who will be performing the Services or producing the Work may not be changed without the written approval of CESER.

12. Modification of the Contract

The Agreement may not be modified except by further written agreement signed by the parties.

13. Excusable Delays

The Contractor shall not be liable for damages, including liquidated damages, if any, for delays in performance or failure to perform due to causes beyond the control and without fault or negligence of the Contractor. Such causes include but are not limited to, acts of God, acts of the public enemy, acts of the United States Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, or unusually severe weather.



14. Inspection of Services

A. All services shall be subject to inspection by CESER, to the extent practicable at all times and places during the Contract. All inspections by CESER shall be made in such manner as not to unduly delay the work.

B. If any services performed hereunder are not in conformity with the requirements of this Contract, CESER shall have the right to require the Contractor to perform the services again in conformity with the requirements of the Contract, at no additional expense to CESER. When the defective services performed are of such nature that the defect cannot be corrected by re-performance of the services, CESER shall have the right to: (1) require the Contractor to immediately take all steps necessary to ensure future performance of the services in conformity with the requirements of the Contract; and (2) reduce the Contract price to reflect the reduced value of the services performed. If the Contractor fails to perform promptly the services again or to take necessary steps to ensure future performance of the services in conformity with the requirements of the Contract, CESER shall have the right to either (a) by Contract or otherwise have the services performed in conformity with the Contract requirements and charge the Contractor any costs incurred by CESER that is directly related to the performance of such services; or (2) terminate this Contract.

15. Insurance Requirements

The Contractor shall effect and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of coverage in respect of all risks which may be incurred by the Contractor, arising out of the Contractor's performance of the Agreement, in respect of death or personal injury, or loss of or damage to property. The Contractor shall produce to CESER, on request, copies of all insurance policies referred to in this condition or other evidence confirming the existence and extent of the coverage given by those policies, together with receipts or other evidence of payment of the latest premiums due under those policies.

16. Confidential Information

Any information regarding CESER that is not generally publicly known or available, whether or not such information would constitute a trade secret under statutory or common law, that is disclosed to or discovered by the Contractor during the course of the Agreement (hereinafter, "Confidential Information") shall be considered confidential and proprietary to CESER, and the Contractor shall maintain all Confidential Information in confidence; shall employ reasonable efforts to ensure the security of the Confidential Information; and shall not disclose the Confidential Information to any third party or use the Confidential Information except as necessary to perform the Services or produce the Work. Should the Contractor receive a subpoena directing disclosure of any



Confidential Information, the Contractor shall immediately inform CESER and cooperate fully with CESER in responding to the subpoena.

17. Laws and ordinances

The Contractor shall comply will all applicable laws, ordinances, rules and regulations including Federal, State, and Municipal authorities and departments relating to or affecting the work herein or any part thereof, and shall secure and obtain any and all permits, licenses and consents as may be necessary in connection therein.

18. Limitation of Liability

Notwithstanding any other provision of the Agreement, under no circumstances shall the liability of CESER to the Contractor exceed to the total amount of compensation to be paid to the Contractor.

19. No waiver of conditions

Failure of CESER to insist on strict performance shall not constitute a waiver of any of the provisions of this Contract or waiver of any other default of the Contractor.

20. Public release of information

Unless the prior consent of CESER is obtained, the Contractor shall not, except as may be required by law or regulation, in any manner advertise or publish or release for publication any statement or information mentioning CESER, or the fact that the Contractor has furnished or contracted to furnish to CESER the services required by this Contract, or quote the opinion of any employee of CESER.

21. Taxes

Unless prohibited by law or otherwise stated to the contrary to this contract, the Contractor shall pay and has not included in the price of this contract, any Federal, State or Local Sales Tax, Transportation Tax, or other similar levy which is required to be imposed upon the work or services to be performed.



22. Term and Termination

The Agreement shall be for such term as is set forth in the Agreement. The Agreement may be terminated by CESER prior to the end of any term on fifteen (15) days written notice.

In addition, this Agreement may be terminated by either party on written notice should the other party: (a) fail to cure a material breach within ten (10) days of delivery of written notice; (b) become insolvent; (c) be the subject of a bankruptcy filing; or (d) cease doing business. Upon termination, the Contractor shall deliver to CESER: all Work, whether in final or draft form, that has been produced as of the date of termination; all Confidential Information; and any materials or items previously provided to the Contractor by CESER. Upon receipt thereof by CESER, the Contractor shall be paid for work performed through the date of termination. In all instances of terminations, the Contractor shall use best efforts to not incur new costs and expenses after the notice of termination, and shall cancel as many outstanding obligations as possible.

23. Warranty of Services

The Contractor warrants and represents that: (a) the Services shall conform to the Scope of Services in all respects; (b) the Work shall be original to the Contractor and shall not infringe the copyright or other rights of any party; (c) the Contractor possesses, and shall employ, the resources necessary to perform the Services in conformance with the Agreement; (d) the Services shall be performed, and the Work produced, in accordance with high standards of expertise, quality, diligence, professionalism, integrity, and timeliness; and (e) the Contractor has no interest, relationship, or bias that could present a financial, philosophical, business, or other conflict with the performance of the Work or create a perception of a conflict or a lack of independence or objectivity in performing the Work.

24. Special Damages

Neither party shall be liable to the other for consequential or indirect damages, including lost profits, or for punitive damages, arising from breach of the Agreement.

25. Concerned Funding Agency

This Agreement is subject to the terms of any agreement between CESER and a Concerned Funding Agency and in particular may be terminated by CESER without



penalty or further obligation if the Concerned Funding Agency terminates, suspends or materially reduces its funding for any reason.

Additionally, the payment obligations of CESER under this Agreement are subject to the timely fulfillment by Concerned Funding Agency of its funding obligations to CESER.

26. Review and Coordination

To insure adequate review and evaluation of the Services and Work, and proper coordination among interested parties, CESER shall be kept fully informed concerning the progress of the Work and Services to be performed hereunder, and, further, CESER may require the Contractor to meet with designated officials of CESER from time to time to review the same.

27. Entire Agreement

The Agreement constitutes the entire agreement between the parties relating to the subject matter of the contract. The Agreement supersedes all prior negotiations, representations and undertakings, whether written or oral.

28. Flow down Provisions

The Contractor agrees to assume, as to CESER, the same obligations and responsibilities that CESER assumes toward the Concerned Funding Agency under those Federal Acquisition Regulations (FAR), if any, and applicable Concerned Funding Agency acquisition regulations, if any, that are mandated by their own terms or other law or regulation to flow down to subcontractors or subgrantees, and therefore the Agreement incorporates by reference, and the Contractor is subject to, all such mandatory flow down clauses. Such clauses, however, shall not be construed as bestowing any rights or privileges on the Contractor beyond what is allowed by or provided for in the Agreement, or as limiting any rights or privileges of CESER otherwise allowed by or provided for in the Agreement. The Contractor also agrees to flow down these same provisions to any lower-tier subcontractors.

29. Compliance with Applicable Laws

In addition to its general commitment to comply with all applicable laws, the Contractor specifically agrees to the following requirements, to the extent that such requirements are applicable:



A. to comply with the Civil Rights Act of 1964 and all other Federal, State or local laws, rules and orders prohibiting discrimination. Consistent with the foregoing, Contractor agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375, and as supplemented by U.S. Department of Labor regulations at 41 C.F.R. Part 60;

B. to make positive efforts to utilize small businesses, minority-owned firms and women's business enterprises in connection with the work performed hereunder, whenever possible;

C. to provide for the rights of the Federal Government in any invention resulting from the work performed hereunder, in accordance with 37 C.F.R. Part 401 and any applicable implementing regulations;

D. to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act of 1970 (42 U.S.C. 7401 *et. seq.*) and the Federal Water Pollution Control Act (33 U.S.C. 1251 *et. seq.*), as amended;

E. to comply with the certification and disclosure requirements of the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), and any applicable implementing regulations, as may be applicable, including: 1) certification that Sub-Contractor has not, and will not, use Federal funds to pay any person or organization for influencing or attempting to influence an officer or employee of any Federal agency; a member, officer, or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352; and 2) disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining a Federal award.

F. to certify that neither it, nor any of its principal employees, has been debarred or suspended from participation in Federally-funded contracts, in accordance with Executive Order 12549 and Executive Order 12689, entitled "Debarment and Suspension," and any applicable implementing regulations.

30. Indemnification

Should one party (the "Indemnified Party") incur or suffer any liability, damage, or expense, including reasonable attorney's fees, in connection with the defense of a legal proceeding brought by a third party arising out of the negligent or other wrongful actions of the other party (the "Indemnifying Party"), then the Indemnifying Party shall indemnify and hold harmless the Indemnified Party for such liability, damage, or expense.

31. Survival

Sections 3, 4, 9, 10, 16, 18, 20, 24, 30, and 31 shall survive termination of this the Agreement.

