

**SUBRECIPIENT AGREEMENT BETWEEN TARRANT COUNTY AND CHILD
CARE ASSOCIATES FOR THE INCREASING ACCESS TO QUALITY CHILDCARE
PROGRAM**

This Agreement (“Agreement”) is between Tarrant County (the “COUNTY”), a political subdivision of the State of Texas, and Child Care Associates (“SUBRECIPIENT”), (collectively, the “Parties”), and shall be effective on April 1, 2022 (“Effective Date”). The Parties have reviewed this Agreement and agree to the following:

WHEREAS, on March 11, 2020, the World Health Organization declared COVID-19 a worldwide pandemic; and

WHEREAS, on March 11, 2021, President Joseph Biden signed the American Rescue Plan Act (“ARPA”) to provide support to the State and local governments to respond to the financial impacts of COVID-19 pandemic; and

WHEREAS, the State and Local Fiscal Recovery Funds (“FRF FUNDS”) authorized through ARPA (C.F.D.A #21.027) are to be used to mitigate the ongoing effects of COVID-19 and support the nation’s pandemic recovery; and

WHEREAS, the COUNTY has received FRF FUNDS to respond to the continuous impact of COVID-19 as outlined in the Interim Final Rule and Final Rule promulgated by the Department of Treasury (“Treasury”); and

WHEREAS, Treasury has issued guidance for the use of FRF FUNDS in the form of Frequently Asked Questions and will continue to issue guidance and clarification on the appropriate use of these funds; and

WHEREAS, the COUNTY and SUBRECIPIENT find that FRF FUNDS distributed in accordance with this Agreement shall meet the eligible uses outlined in the Treasury’s Interim Final Rule, subsequent Final Rule and additional guidance; and

WHEREAS, the COVID-19 pandemic has had a negative economic impact on Tarrant County households by reducing access to quality child care opportunities within Tarrant County; and

WHEREAS, the COUNTY and SUBRECIPIENT find that supporting and expanding access to quality child care by strengthening child care businesses and quality, stabilizing quality child care businesses, offering whole child support programs, and expanding infant-toddler access through development of additional child care infrastructure is an eligible use of FRF FUNDS; and

WHEREAS, the COUNTY and SUBRECIPIENT find that the programs and related expenditures outlined in this Agreement are eligible under current FRF FUNDS guidance and rules promulgated by the U.S. Treasury and find that the program(s) outlined herein will mitigate the ongoing effects of COVID-19 and support pandemic recovery in Tarrant County.

THEREFORE, the Parties agree as follows:

I.
DESCRIPTION OF SERVICES

SUBRECIPIENT shall develop, implement, and evaluate three specific strategies to expand access to high quality child care in Tarrant County.

Strategy 1: Strengthen child care businesses to provide high quality child care; program focus is on child care business supports including business coaching, and ready access to child care tools that support business sustainability and achieving Texas Rising Star (TRS) status.

Strategy 2: Enhance quality child care by contracting with eligible TRS 4-star child care programs to provide high quality child care to low-income children; the contracts will offset program costs and support access to the program by low-income children. The contracts may offer the option of offsetting child care program-level expenses in offering whole child, whole family supports such as family meetings, professional development and referrals to early childhood intervention services or other supports to be determined. This strategy will target 15-25 TRS-4 child care providers within Tarrant County.

Strategy 3: Expand infant-toddler access and infrastructure for highest need families in Tarrant County; program components include the development of public partnerships to renovate existing facilities and/or build new facilities to increase the number of Early Head Start (EHS) classrooms in Tarrant County. The program intends to leverage additional public resources by partnering with public entities and by adding infant-toddler classrooms that expand federally funded EHS services in partnership with EHS grantee Child Care Associates. Facilities and classrooms may serve infants, toddlers and preschoolers.

It is the stated intent of the County and SUBRECIPIENT to strengthen and develop and implement a robust child care program that will address the negative economic and public health impacts from the COVID-19 pandemic.

II.
PAYMENT

The COUNTY shall make available an amount of up to \$19,659,322 (NINETEEN MILLION SIX HUNDRED AND FIFTY-NINE THOUSAND THREE HUNDRED TWENTY-TWO DOLLARS) to SUBRECIPIENT from the COUNTY's FRF FUNDS for the development, implementation, and administration of Strategies 1, 2, and 3. At the request of the SUBRECIPIENT, COUNTY may advance FRF Funds each month to meet the immediate cash requirements of the SUBRECIPIENT. SUBRECIPIENT may request advance FRF Funds no sooner than August 20, 2022 for the month of September, 2022. Advance FRF Funds may be requested each month through December, 2025 or when the FRF Funds are expended according to Appendix A.

By the twentieth of each month, beginning on August 20, 2022, SUBRECIPIENT shall submit a request for advanced FRF Funds to the County. The request must include expected eligible expenses for each strategy for the following month.

Advanced FRF Funds must be held in a segregated, interest-bearing account and any interest earned on the funds must be reported to Tarrant County and applied to Strategies 1, 2 and 3. Advanced Funds shall be applied to eligible expenses on the applicable monthly invoice. If advanced FRF Funds are in excess of eligible expenses for that month, SUBRECIPIENT shall apply the remaining amount to the expenses for the following month.

By the 20th of each month, SUBRECIPIENT shall submit a reconciliation of prior month's expenses and, if applicable, a request for reimbursement of eligible expenses over and above the amount of the advanced FRF Funds. Errors in the reimbursement request, including insufficient documentation, may result in payment delays. SUBRECIPIENT is responsible for submitting a complete and accurate reimbursement request. Payment is considered made on the date postmarked.

Each reconciliation/reimbursement request must contain the following supporting documentation:

- i. Signed Reconciliation/Request for Reimbursement (RRFR) form
- ii. General Ledger (monthly, generated from SUBRECIPIENT's accounting system) coinciding with RRFR
- iii. Timesheets and Payroll Reports (monthly, generated from SUBRECIPIENT's payroll system) if budget included personnel
- iv. Invoices of all other expenditures
- v. Proof of payment of all expenditures

Advanced and reimbursed funds are to be used for expenses that are eligible uses of FRF Funds as outlined in the Treasury's Final Rule, and in accordance with the terms below. The COUNTY shall reimburse SUBRECIPIENT for expenses related to eligible uses of FRF FUNDS, above the monthly advance, per strategy, as outlined in the Treasury's Final Rule, reflected in Appendix A, and in accordance with the terms and conditions outlined below.

If SUBRECIPIENT does not have the proper financial management controls for the Advanced Funds, the County may discontinue advancing funds for a period of time or for the duration of the contract.

By June 30, 2024, SUBRECIPIENT shall provide to the County a plan to obligate any and all remaining funds by December 31, 2024. Any funds not expected to be obligated by December 31, 2024 shall be returned to the County by July 31, 2024. All goods shall be received and paid by December 31, 2025, subject to Section III below.

III. TERM/TERMINATION

This Agreement shall become effective on April 1, 2022 and shall continue in full force and effect until **December 31, 2025**. If at any time SUBRECIPIENT state contract is suspended or revoked, or if SUBRECIPIENT becomes excluded, debarred, or suspended from any federal program, this Agreement automatically terminates effective on the date of the suspension, revocation, or exclusion, and SUBRECIPIENT must submit a final, formal statement in the manner set out above and below requesting payment.

The County may immediately terminate this Agreement, without prior notice, if SUBRECIPIENT fails to perform any obligation found herein and the failure:

- i. Creates a potential threat to health or safety: or
- ii. Violated a law, ordinance, or regulation designed to protect health or safety.

Either party may terminate this Agreement without cause giving thirty (30) days written notice to the other party. Upon receipt of notice to terminate, SUBRECIPIENT shall discontinue all services in connection with the performance of this Agreement and shall proceed to promptly cancel all existing orders and contracts insofar as such orders to contracts are chargeable to this Agreement. Any and all assets purchased under this agreement shall transfer to the County for purposes outlined herein.

Within thirty (30) days after receipt of a notice of termination, SUBRECIPIENT agrees to submit an invoice showing, in detail, the services performed under this Agreement up to and including the date of termination.

Force Majeure: In the event that either Party is unable to perform its any of its obligation under the Agreement or to enjoy any of the benefits because of natural disaster, global pandemic, actions or decrees of governmental bodies or communication line failure not the fault of the affected party (referred to as a “Force Majeure Event”), the party who has been so affected immediately agrees to give notice to the other part and agrees to do everything possible to resume performance. Upon receipt of such notice, the Agreement is immediately suspended. If the period of nonperformance exceeds ten (10) calendar days from the receipt of notice of the Force Majeure Event, the Party whose ability to perform has not been affected may terminate the Agreement immediately by giving written notice to the other Party.

IV. AMENDMENTS

This Contract may not be amended without a written agreement; however, SUBRECIPIENT may move up to 10% of allocated funds within any budget category without written approval of the COUNTY, except for Equipment or Indirect Cost budget line items, if the movement is consistent with the budget in Appendix A. To move any amount over and above a cumulative total of 10% of allocated funds within any budget category, SUBRECIPIENT must submit a written request to COUNTY and receive written approval of same.

V.
STANDARDS FOR FINANCIAL MANAGEMENT

In accordance with 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, SUBRECIPIENT will develop, implement and maintain financial management and control systems, which include at a minimum accurate payroll, accounting and financial reporting records, cost source documentation, effective internal and budgetary controls, and determination of reasonableness, allowability and allocability of costs, and timely and appropriate audits and resolution findings.

SUBRECIPIENT shall maintain an effective accounting system, which will:

- i. Identify and record valid transactions
- ii. Record transactions to the proper accounting period in which transactions occurred
- iii. Describe transactions in sufficient detail to permit proper classification
- iv. Maintain records that permit the tracing of funds to a level of detail that establishes that the funds have been used in compliance with contract requirements
- v. Adequately identify the source and application of funds of each grant contract
- vi. Generate current and accurate financial reports in accordance with contract requirements

V.
MONITORING

SUBRECIPIENT agrees that COUNTY will, until the expiration of the federal retention period as referenced in 2 CFR 200.334, have access to and the right to examine at reasonable times any directly pertinent books, papers, and records (hard copy, as well as computer generated data) of the sub-recipient involving transactions related to this agreement. This right to audit also extends to any obligations assigned to any subcontracts or agreements formed between SUBRECIPIENT and any subcontractors to the extent that those subcontracts or agreements relate to fulfillment of SUBRECIPIENT's obligations to COUNTY under this agreement. The SUBRECIPIENT must agree that COUNTY will have access during normal working hours to all necessary facilities, staff, and workspace to conduct audits. The COUNTY will provide the SUBRECIPIENT with reasonable advance notice of intended audits. The SUBRECIPIENT must provide records within ten (10) business days or a mutually agreed upon timeline. SUBRECIPIENT may withhold any information that it is mandated to withhold to comply with state or federal law.

VI.
ALLOWABLE COSTS

COUNTY payment to SUBRECIPIENT does not preclude COUNTY from determining that certain costs were ineligible for reimbursement. If the COUNTY determines that a cost the COUNTY has paid for is ineligible for reimbursement, the SUBRECIPIENT will refund the ineligible amount to the COUNTY. COUNTY will determine whether costs submitted by SUBRECIPIENT are allowable and eligible for reimbursement. If COUNTY has paid funds to SUBRECIPIENT for unallowable or ineligible costs, COUNTY will notify SUBRECIPIENT in

writing, and SUBRECIPIENT shall return the funds to COUNTY within thirty (30) calendar days of the date of this written notice. COUNTY may withhold all or part of any payments to SUBRECIPIENT to offset reimbursement for any unallowable or ineligible expenditure that SUBRECIPIENT has not refunded to COUNTY, or if required financial report(s) are not submitted by the due date(s).

VI. INDEPENDENT SINGLE OR PROGRAM SPECIFIC AUDIT

If SUBRECIPIENT, within SUBRECIPIENT'S fiscal year, expends a total amount of at least SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000) in federal funds awarded, SUBRECIPIENT shall have a single audit or program-specific audit in accordance with the 2 CFR 200. The \$750,000 federal threshold amount includes federal funds passed through by way of State and local agency awards.

VII. EQUIPMENT

Any purchase of equipment must be consistent with the Uniform Guidance at 2 CFR Part 200 Subpart D. Equipment acquired under this Agreement must be used for the originally authorized purpose. Consistent with 2 CFR 200.313, any equipment acquired using federal funds shall vest in the non-Federal entity.

Procedures for managing equipment must meet the following requirements:

- i. Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property, name of title holder, acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- ii. A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.
- iii. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- iv. Adequate maintenance procedures must be developed to keep the property in good condition.
- v. If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Disposition. When original or replacement equipment acquired under this Agreement is no longer needed or in use for the project or program outlined herein, SUBRECIPIENT must request disposition instructions from the COUNTY.

VIII.
PERFORMANCE MEASUREMENT AND REGULAR REPORTING

SUBRECIPIENT shall provide monthly reports to COUNTY as outlined in Appendix B. Additional measures may be established and reported on as mutually agreed to by SUBRECIPIENT and COUNTY. SUBRECIPIENT will submit fiscal, progress, programmatic, and other reports as requested by COUNTY in the approved format.

IX.
DEBARTMENT AND SYSTEM FOR AWARD MANAGEMENT

SUBRECIPIENT is not entitled to receive payment under this Agreement for services performed by any personnel who have been excluded, debarred, or suspended under a federal program, unless given explicit permission by the COUNTY. SUBRECIPIENT agrees to maintain an active registration in the System for Award Management (SAM.gov)

X.
INDEPENDENT CONTRACTORS

It is understood that any relationship created by this Agreement between the Parties shall be that of independent contractors. Under no circumstances shall either Party be deemed an employee of the other nor shall either Party act as an agent of the other Party. Any and all joint venture, joint enterprise, or partnership status is hereby expressly denied, and the Parties expressly state that they have not formed expressly or impliedly a joint venture, joint enterprise, or partnership.

XI.
SUBCONTRACTING AUTHORITY

SUBRECIPIENT may enter into contracts as necessary for the performance of the scope of services outlined in this Agreement. SUBRECIPIENT agrees to comply with all applicable purchasing laws in choosing subcontractors and executing any contracts pursuant to this Agreement.

XII.
DOCUMENTATION

SUBRECIPIENT shall keep and maintain, for a period not less than five (5) years after December 31st, 2026, any and all records relating to use of the FRF FUNDS described herein.

XIII.
FORM 1295 COMPLIANCE

SUBRECIPIENT acknowledges and agrees that it has fully, accurately, and completely disclosed all interested parties and has acknowledged the completeness of this disclosure by filing Form 1295, attached as Appendix C, with the Texas Ethics Commission as required by law.

XIV.
NOTICE

Any notice required or permitted to be delivered hereunder shall be deemed to have been given when personally delivered, or if mailed, seventy-two (72) hours after deposit of the same in the United States Mail, postage prepaid, certified, or registered, return receipt requested, properly addressed to the Parties hereto at the respective addresses set forth below, or at such other addresses as they shall specify by written notice delivered to the following addresses:

TO THE COUNTY:
County Administrator
100 E Weatherford
Fort Worth, Texas 76196

TO Child Care Associates:
Office of the President-CEO
3000 E Belknap
Fort Worth, TX 76111

XV.
SEVERABILITY

If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

XVI.
APPLICABLE LAW AND VENUE

This Agreement is governed by the laws of the State of Texas. This exclusive venue for any action arising out of, in connection with, or in any way relating to this Agreement shall be in a state of federal court of competent jurisdiction in Tarrant County, Texas.

XVII.
ENTIRE AGREEMENT

This Agreement represents the entire understanding between the Parties and supersedes all prior representations.

SIGNED AND EXECUTED this ____ day of _____, 2022.

**COUNTY OF TARRANT
STATE OF TEXAS**

Child Care Associates

B. Glen Whitley
County Judge

Kara Waddell
President-CEO

APPROVED AS TO FORM:

CERTIFICATION OF
AVAILABLE FUNDS:

Criminal District Attorney's Office

Tarrant County Auditor

*By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead, those parties should seek contract review from independent counsel.

APPENDIX A
PROGRAM BUDGET

Program Budget: April 1, 2022 to December 31, 2025

Category	Strategy 1	Strategy 2	Strategy 3	Total Program Budget
Personnel	\$500,473	\$1,224,245	\$1,832,343	\$3,557,061
Fringe	\$125,118	\$306,061	\$458,086	\$889,265
Travel	\$108	\$891	\$11,049	\$12,048
Capital	\$0.00	\$0.00	\$0.00	\$0.00
Supplies	\$18,428	\$37,281	\$39,134	\$94,843
Contractual	\$874,368	\$13,218,478	\$0.00	\$14,092,846
Other	\$396,425	\$4,922	\$7,212	\$408,558
Subtotal	<u>\$1,914,920</u>	<u>\$14,791,878</u>	<u>\$2,347,824</u>	<u>\$19,054,621</u>
Indirect Cost	<u>\$85,080</u>	<u>\$208,122</u>	<u>\$311,498</u>	<u>\$604,700</u>
Total	<u>\$2,000,000</u>	<u>\$15,000,000</u>	<u>\$2,659,322</u>	<u>\$19,659,322</u>

APPENDIX B EVALUATION MATRIX/REPORTING

Required Reporting Dates:

Quarterly Report Periods		Report Due
First	July 1- Sept 30	Oct 15
Second	Oct 1- Dec 31	Jan 15
Third	Jan 1- Mar 31	April 15
Fourth	April 1- Jun 30	July 15

Annual Report Periods		Report Due Date
Year 2	July 1- June 30, 2023	July 15, 2023
Year 3	July 1- June 30, 2024	July 15, 2024
Year 4	July 1- June 30, 2025	July 15, 2025

Program Evaluation Information								
Activity Number	Activity Conducted	Time Frame for Activity	Anticipated Cost of Activity	Expected Number to be Served by each Activity	Expected Outputs*	Expected Outcomes**	Outcome Measurement***	Intended Benefit
1	Business coaching to TRS-4 contracted	Estimated October 2022 through March 2025		15 to 25 providers	15 to 25 providers receive	15 to 25 providers stay in business through March 2025	# of coaching sessions provided	Help TRS-4 providers develop
2	Class coaching to TRS-4 contracted providers	Estimated October 2022 through March 2025		15 to 25 providers	15 to 25 providers receive coaching	25% of TRS-4 classrooms exceed research-based threshold for	# of coaching sessions provided	Help TRS-4 providers sustain and improve quality
4	Provide NTX Child Care Tools to help child care providers with business tools to	Estimated October 2022 through March 2025		Over 400 providers	Over 400 providers gain access to NTX Child Care Tools	100 to 200 CCMS providers become obtain TRS status	# of child care providers to gain access to NTX Child Care Tools	Help CCMS Child Care Providers with tools and resources that will improve
5	Pay TRS-4 providers for providing high quality child care	Estimated October 2022 through March 2025	\$ 13,218,478	15 to 25 providers	15 to 25 providers receive child care	15 to 25 providers paying their early childhood educators at least	# of TRS-4 providers paying child care educators at least	Increase in teacher retention
6	Build or renovate 4-8 facilities throughout	Estimated October 2022 through March 2025	\$28,000,000 - \$56,000,000	350 - 1018 Children	4-8 facilities built	More low income children gain access to quality child care	# of facilities built or renovated	Increase access to high quality child care in

APPENDIX C
FORM 1295