



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

OFFICE OF FEDERAL
PROCUREMENT POLICY

April 10, 1997

MEMORANDUM FOR:

AGENCY SENIOR PROCUREMENT EXECUTIVES
AND THE ACTING DEPUTY UNDER SECRETARY OF DEFENSE
(ACQUISITION REFORM)

FROM: Steven Kelman
Administrator

SUBJECT: The President's Welfare to Work Program

On [March 8, 1997, the President called](#) upon the Federal Government, the Nation's largest employer, to join in answering his call for businesses, nonprofit organizations, and religious groups to respond to the challenge of welfare reform by offering jobs to welfare recipients. To ensure deep and continuing involvement in this issue by the White House, the President asked the Vice President to oversee the program.

In his radio address to the Nation, the President stressed that all of us have a responsibility and a moral obligation to make welfare reform work, to make sure that those who now must work, can work. The President stated that "this cause must engage the energy and commitment of everyone in society - - of business, houses of worship, labor unions, universities, civic organizations, as well as government at every level. Above all, we must harness the private sector to bring jobs and hope to our hardest-pressed neighborhoods." The Administration is working with businesses to enable them to increase their hiring of people off welfare. As part of that effort, the Administration is proposing welfare reform legislation that would give businesses tax incentives to hire people off welfare and would give job placement firms a bonus for every person they place from welfare into a job.

We in the procurement community can do more to further this important initiative. We urge you to consider increasing your purchases of goods and services from sources whose organizational charter is aimed at providing work and training to persons who might otherwise require welfare, e.g., the [Javits-Wagner-O'Day \(JWOD\) Program](#) and the [Compensated Work Therapy/Veterans \(CWT\) Program](#). [GSA's Basic Ordering Agreement for "Temporary" Nonpersonal Administrative and General Support Services](#) can be an effective vehicle for acquiring services under the JWOD Program. We urge you, also, to reach out to all of your contractors and emphasize the priority the Administration places on hiring people off the welfare rolls. In this regard, you should inform your contractors and procurement personnel that costs incurred in training individuals hired off the welfare rolls are allowable under [Part 31 \(Contract Cost Principles and Procedures\)](#) of the FAR (and thus reimbursable by the government), if such costs are related to the job for which the individual has been hired.

We have been working with GSA to place information on this Program on the Acquisition Reform Network (ARNet) website at: www.arnet.gov/welfare.html. In addition to information and contacts on the JWOD and CWT Programs and GSA's Basic Ordering Agreement, your contracting offices and contractors can find material on, or linked to, ARNet that describes the various agency initiatives to further the President's Program. As we develop more guidance and information, we plan on adding it to ARNet. As you and your agency develop relevant material (e.g., effective procedures, success stories) that you would like us to consider for the ARNet website, please send the material by e-mail to: welfare@www.arnet.gov. On behalf of the President and Vice President, I thank you for your efforts in furthering this important initiative.