COMMONWEALTH CORPORATION

Workforce Competitiveness Trust Fund (WCTF) Contractor Rate Policy

Purpose

To ensure consistency, transparency, and fiscal responsibility in the use of WCTF funds, this policy establishes a maximum allowable hourly rate for contractors and consultants. This guidance supports equitable application of funds and adherence to federal and state cost principles.

Policy Overview

- Maximum Contractor/Consultant Rate: $150.00 per hour
- Procurement Standard: "Rule of Three" — grantees must obtain and document at least three comparable quotes or market rate references to demonstrate cost reasonableness.

Justification and Rationale

1. Alignment with Federal and State Standards

This policy aligns with 2 CFR §200.404, which requires all costs to be *reasonable, necessary, and allocable* to the funded program. It also reflects best practices under M.G.L. Chapter 29, §2WWW, ensuring that WCTF investments prioritize direct workforce training and participant impact over excessive administrative or consulting costs.

2. Consistency with Public Sector Best Practices

The $150/hour maximum mirrors prevailing rates used by the Massachusetts Operational Services Division (OSD) and other public and quasi-public entities such as the Department of Labor, MassCEC, and philanthropic intermediaries (e.g., SkillWorks), which commonly authorize consultant rates between $125–$175/hour. Establishing a ceiling promotes fiscal stewardship and consistency across all WCTF-funded initiatives.

3. Promoting Equity and Transparency

Standardized rate guidance ensures fair access to qualified consultants, prevents cost inflation, and supports equitable participation by smaller community-based organizations. The "Rule of Three" strengthens accountability and provides documentation that funds are used prudently.

Implementation Guidance

Grantees must maintain documentation demonstrating:

- At least three comparable quotes or rate justifications, or
- Evidence of market research showing that the proposed rate is consistent with comparable services.

Requests to exceed the $150/hour rate must include a written justification and receive prior written approval from Commonwealth Corporation.

Questions or Support

For questions about this policy or assistance implementing it, please contact your WCTF Program Manager. Additional fiscal and procurement guidance is available through the WCTF Grantee Resource Portal and upcoming Technical Assistance sessions,